

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

004

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. Lease Designation and Serial Number: MI-46537	
B. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/>		6. If Indian, Allottee or Tribe Name: N/A	
SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. Unit Agreement Name: N/A	
2. Name of Operator: Klabzuba Oil and Gas, Inc.		8. Farm or Lease Name: Gordon Creek, State	
3. Address and Telephone Number: 700 17th St., Ste. 1300, Denver, CO 80202 1-303-382-4443		9. Well Number: 1-18-14-8	
4. Location of Well (Footages) At Surface: 1,452' FNL, 1,304' FEL 4384412 Y 39.61132 At Proposed Producing Zone: 494428 X -111.06491		10. Field or Pool, or Wildcat: Gordon Creek	
14. Distance in miles and direction from nearest town or post office: 13.7 miles west of Price, Utah		11. Qtr/Qtr, Section, Township, Range, Meridian: SE/4 NE/4, Section 18, T14S, R8E, SLB&M	
15. Distance to nearest property or lease line (feet): 1,304'	16. Number of acres in lease: 1,679.36 acres	17. Number of acres assigned to this well: 40	13. State: Utah
18. Distance to nearest well, drilling, completed, or applied for, or 2,600'	19. Proposed Depth: +4,000'	20. Rotary or cable tools: Rotary	22. Approximate date work will start: September, 2002
21. Elevations (show whether DF, RT, GR, etc.): 7,338' GR			

PROPOSED CASING AND CEMENTING PROGRAM

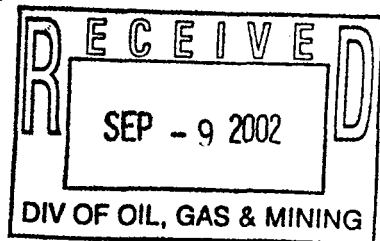
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55 ST&C	24 #	2000'	300 sacks Class G cement + 2% CaCl ₂ + 0.25 pps cellophane flakes
7-7/8"	5-1/2" J-55 ST&C	15.50 #	±4000'	230 sacks 50/50 pozmix + 8% gel + 10% salt + 0.25 pps cellophane flakes
				395 sacks Class G + 10-1 RFC + .25 pps cellophane flakes

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

Bond Information will be provided under separate cover from Klabzuba Oil and Gas, Inc.

Surface Owner: State of Utah

Landowner Representative: SITLA; 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100



**Approved by the
Utah Division of
Oil, Gas and Mining**

ORIGINAL

Date: 10-07-02
By: [Signature]

CONFIDENTIAL

24.

Name & Signature: Don Hamilton Don Hamilton Title: Agent for Klabzuba Date: 9-6-2002

(This space for state use only)

API Number Assigned: 43-007-30882

Approval:

Well name:

09-02 Klabzuba Gordon Creek 1-18-14-8

Operator: Klabzuba Oil & Gas Inc.

String type: Surface

Project ID:

43-007-30882

Location: Carbon County

Design parameters:**Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 93 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top:

1,164 ft

* 5-4-14

Burst

Max anticipated surface

pressure: 0 psi

Internal gradient: 0.468 psi/ft

Calculated BHP 935 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on air weight.

Neutral point: 1,748 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 4,000 ft

Next mud weight: 9.000 ppg

Next setting BHP: 1,870 psi

Fracture mud wt: 19.000 ppg

Fracture depth: 2,000 ft

Injection pressure 1,974 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	2000	8.625	24.00	J-55	ST&C	2000	2000	7.972	13103

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.57	935	2950	3.16	48	244	5.08 J

Prepared by: Dustin Doucet
Utah Dept. of Natural ResourcesPhone: 801-538-5281
FAX: 801-359-3940Date: September 20, 2002
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

02 Klabzuba Gordon Creek 18-14-8
Casing Schematic

BHP
 $(0.052)(9)(4000) = 1872 \text{ psi}$
 Anticipated = 1000 psi max

ACS
 $(0.12)(4000) = 480 \text{ psi}$
 MASP = 1392 psi

2m BOP proposed
 Adequate, KOD 4/20/02 3925' -
 Blue Gate

8-5/8"
 MW 8.4
 Frac 19.

5-1/2"
 MW 9.

Surface

TOC @
 53.

TOC @
 1164.

Surface
 2000. MD

-2100'

manages Gas Zone

-2875'

-3420'

Ferron Sands

-3746'

Production
 4000. MD

Talked w/ Don Hamilton
 9/24/02 - need to bring
 class 6 to surface
~~Surface casing Cont Stop~~
 w/ 0.7 washout

1748' Detail (production)

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Klabzuba Oil and Gas, Inc.
WELL NAME & NUMBER: Gordon Creek State 1-18-14-8
API NUMBER: 43-007-30822
LEASE: State **FIELD/UNIT:** Gordon Creek
LOCATION: 1/4, 1/4 SENE **Sec:** 18 **TWP:** 14S **RNG:** 8E 1452' **FNL** 1304' **FEL**
LEGAL WELL SITING: 460' from unit boundary 920' from another well.
GPS COORD (UTM): X=494414 E; Y =4384420 N **SURFACE OWNER:** SITLA

PARTICIPANTS

M. Jones DOGM), Chris Colt (DWR), D. Hamilton (Talon), George Rooney (Klabzuba), Ed Bonner, SITLA. Carbon County was invited but chose not to attend.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The proposed location is ~7 miles west of the nearest dwelling. And ~15 miles west of Price, UT. The closest live water source is Second Water Creek 1.1 miles to the North. The area drains into Mud Water Canyon and eventually dumps into the Price River.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 280' X 150' and ~ 1.89 miles of existing two-track will be upgraded for access.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: No proposed and six existing within a one mile radius of the proposed location.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadways.

SOURCE OF CONSTRUCTION MATERIAL: Purchased locally and transported in.

ANCILLARY FACILITIES: None anticipated.

WASTE MANAGEMENT PLAN:

A lined reserve pit will be constructed to handle drill cuttings and liquid waste during the drilling process. Chemical toilets will be kept on site during drilling activities and will be disposed of at an appropriate municipal sewage facility. Trash will be kept in dumpsters and also taken to an appropriate municipal handling facility when drilling is completed.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes run throughout the immediate and surrounding area and are highly erosive in nature. One large dry wash exists 20' South of the proposed location.

FLORA/FAUNA: Native grasses, sagebrush, elk, deer, moose, fowl, rabbits.

SOIL TYPE AND CHARACTERISTICS: Loamy clay.

SURFACE FORMATION & CHARACTERISTICS: _____

EROSION/SEDIMENTATION/STABILITY: Highly erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: dugout earthen pit, 60 X 100 X 8 pit not included within the pad boundaries.

LINER REQUIREMENTS (Site Ranking Form attached): Liner optional.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: On file with State.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed and on file with State.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

September 23, 2002 / 1:00 pm
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 15 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Klabzuba Oil and Gas, Inc.
WELL NAME & NUMBER: Gordon Creek State 1-18-14-8
API NUMBER: 43-007-30822
LEASE: State **FIELD/UNIT:** Gordon Creek
LOCATION: 1/4, 1/4 SENE **Sec:** 18 **TWP:** 14S **RNG:** 8E 1452' **FNL** 1304' **FEL**

Geology/Ground Water:

This location is in a horst and graben area of the Wasatch Plateau. A search of the water rights database for this area show that there are 10 points of diversion within a mile of this location. Surface casing proposed for this well is 2000' and should adequately cover the Garley Canyon, and Emery Sandstones present in this area. This well is to be spud on Quaternary Alluvium overlying the Upper Blue Gate Member of the Mancos Shale. Below the Blue Gate are the Garley Canyon Sandstone and the three members of the Emery Sandstone. These four sands are the likely sources of the numerous springs and seeps the area. These possible water resources will be protected with proper amounts of cement across the sand intervals. In like manner any water zone encountered in the lower hole should also be placed behind pipe and cement will be placed across the zone for a minimum of 100' above and below the water bearing zone.

Reviewer: K. Michael Hebertson Date: 27-September-2002

Surface:

The site was photographed and characterized on 9/23/2002. Rehabilitation of the site, litter and waste control, preservation and drainage patterns, groundwater and other resources was discussed and agreed on. Any well utilities and gathering systems will follow the roadways. Due to the erosive nature of the area and its soil special considerations should be made to protect and minimize the effect of possible erosion to the surrounding environment. DWR and SITLA were present during the pre-site. Carbon County was invited but chose not to attend.

Reviewer: Mark L. Jones Date: September 24, 2002

Conditions of Approval/Application for Permit to Drill:

1. Appropriate actions to minimize erosion to the surrounding area, i.e. culverts, turnouts, armoring, and proper reseeding. All other construction as per APD.
2. The pad shall be bermed
3. (Optional) Line the reserve pit with a 12 mil., minimum, synthetic liner.

Well name:	09-02 Klabzuba Gordon Creek 1-18-14-8	
Operator:	Klabzuba Oil & Gas Inc.	Project ID:
String type:	Production	43-007-30882
Location:	Carbon County	

Design parameters:
Collapse

Mud weight: 9.000 ppg
Design is based on evacuated pipe.

Minimum design factors:
Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 121 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 53 ft

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.468 psi/ft
Calculated BHP 1,870 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on air weight.
Neutral point: 3,455 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	4000	5.5	15.50	J-55	ST&C	4000	4000	4.825	16934

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1870	4040	2.16	1870	4810	2.57	62	202	3.26 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

Phone: 801-538-5281
FAX: 801-359-3940

Date: September 20, 2002
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

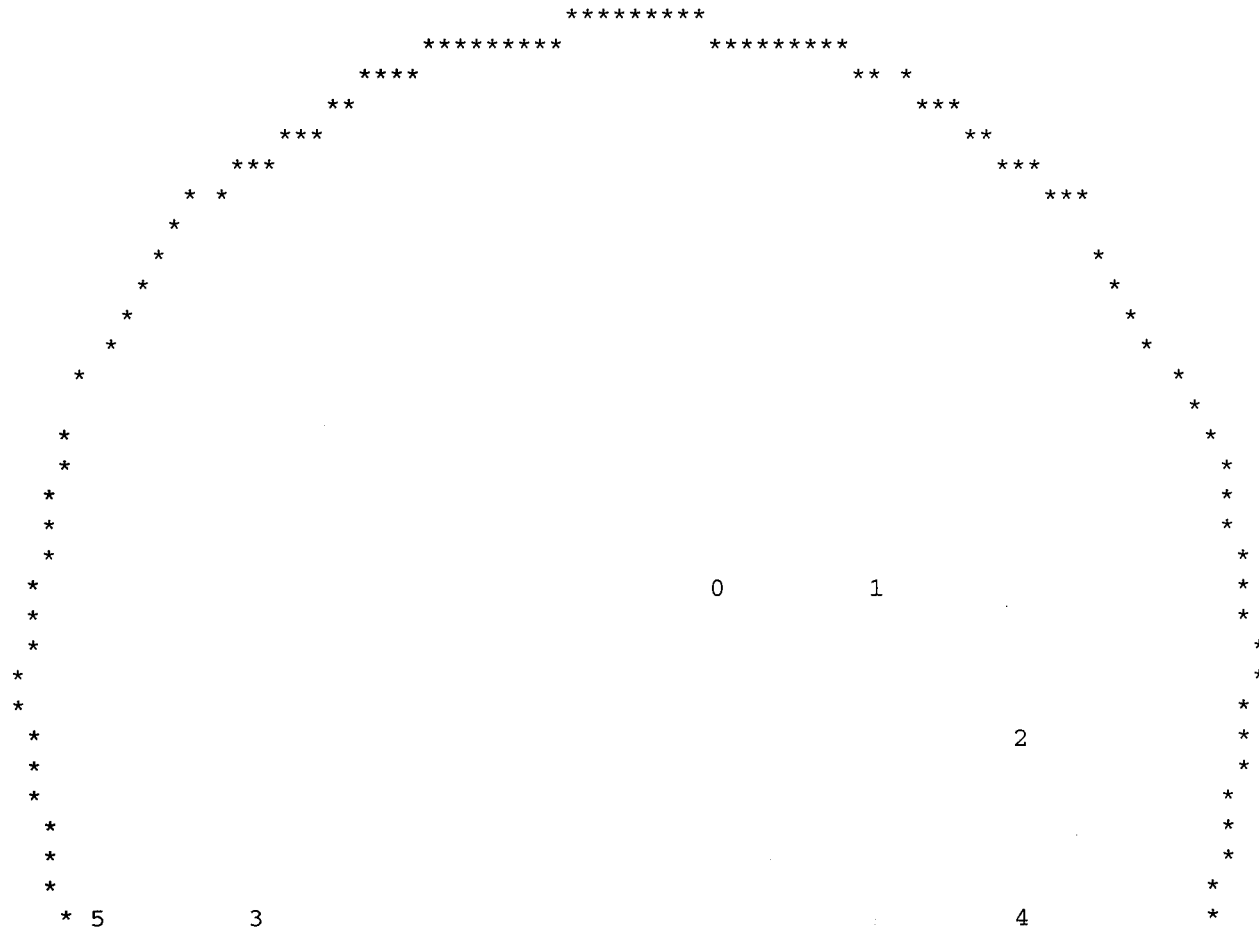
Collapse is based on a vertical depth of 4000 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.

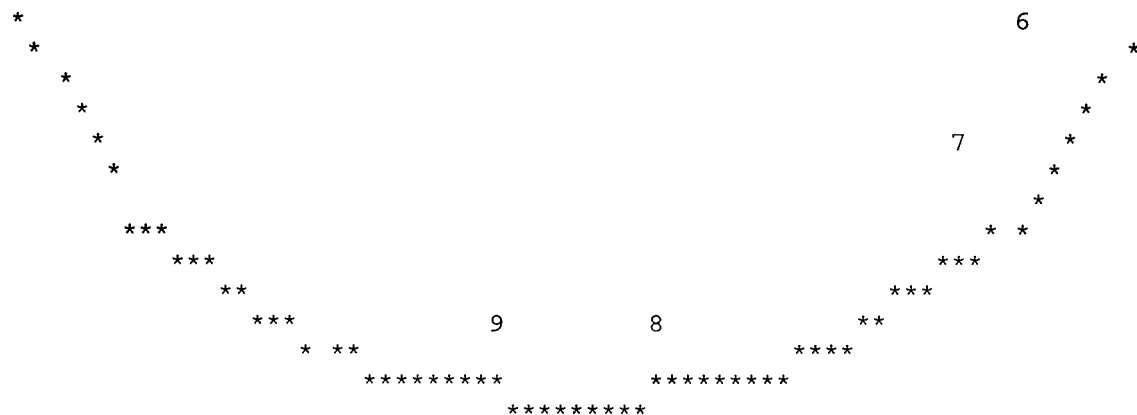
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
S 1452 FEET, W 1304 FEET OF THE NE CORNER,
SECTION 18 TOWNSHIP 14S RANGE 8E SL BASE AND MERIDIAN

N O R T H





UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS AND/OR	AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH	POINT OF DIVERSION DESCRIPTION YEAR LOG NORTH EAST	CNR SEC TWN RNG B&M	U A P T S N P E E U N P R R R
0	<u>91 3217</u>	.0000	.00	Second Water Canyon Creek			X X
		WATER USE(S): STOCKWATERING		State of Utah School & Institutional Tru 675 East 500 South, 5th Floor		PRIORITY DATE: 00/00/1869 Salt Lake City UT 84102	
1	<u>91 3103</u>	.0000	.00	Second Water Canyon Creek			X X
		WATER USE(S): DOMESTIC		Oman, Milton A. 717 Continental Bank Building		PRIORITY DATE: 00/00/1869 Salt Lake City UT	
2	<u>91 3103</u>	.0000	.00	Second Water Canyon Creek			X X
		WATER USE(S): DOMESTIC		Oman, Milton A. 717 Continental Bank Building		PRIORITY DATE: 00/00/1869 Salt Lake City UT	
3	<u>91 3217</u>	.0000	.00	Second Water Canyon Creek			X X
		WATER USE(S): STOCKWATERING		State of Utah School & Institutional Tru 675 East 500 South, 5th Floor		PRIORITY DATE: 00/00/1869 Salt Lake City UT 84102	
4	<u>91 3438</u>	.0000	.00	Second Water Canyon Creek			X X

Points of Diversion

Page 3 of 3

WATER USE(S): STOCKWATERING
McIntire, B. F.

382 L. Street

PRIORITY DATE: 00/00/1869
Salt Lake City UT 84103

5 91 992 .0000 .00 Second Water Canyon Creek

WATER USE(S):
USA Forest Service

324 25th Street

PRIORITY DATE: 00/00/1869
Ogden UT 84401

6 91 151 .0380 .00 Unnamed Spring

WATER USE(S): OTHER
McIntire, Brigham F.

382 L. Street

N 1624 W 162 S4 17 14S 8E SL X X

PRIORITY DATE: 06/28/1946
Salt Lake City UT

7 91 3439 .0000 .00 Bob Bishop Canyon Creek

WATER USE(S): STOCKWATERING
McIntire, B. F.

382 L. Street

PRIORITY DATE: 00/00/1869
Salt Lake City UT 84103

8 91 3111 .0110 .00 Unnamed Spring

WATER USE(S):
Oman, Milton A.

717 Continental Bank Building

PRIORITY DATE: 00/00/1869
Salt Lake City UT

9 91 3073 .0000 .00 Bob Bishop Canyon Creek

WATER USE(S): STOCKWATERING
State of Utah School & Institutional Tru 675 East 500 South, 5th Floor

PRIORITY DATE: 00/00/1869
Salt Lake City UT 84102



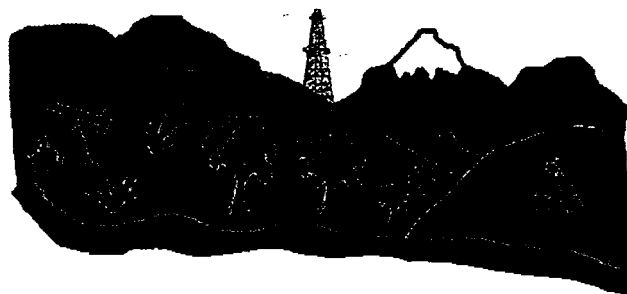
LEGEND

Well Status

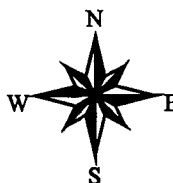
- ✓ GAS INJECTION
- GAS STORAGE WELL
- × LOCATION ABANDONED
- ⊙ NEW LOCATION
- ♦ PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- WATER SUPPLY
- ✓ WATER DISPOSAL

Land Ownership

- Private Not Classed
- Forest Service
- BLM
- State Lands
- Native American
- Private
- Military
- National Parks
- State Parks
- State Wilderness
- National Recreation
- US Wildlife
- Wilderness
- Bankhead Jones
- Sovereign Lands
- Water
- Intermittent Water



Utah Oil Gas and Mining



Prepared By: K. Michael Hebertson

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

RIG SKID

2. Name of Operator:

Klabzuba Oil and Gas, Inc.

3. Address and Telephone Number:

700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443

4. Location of Well

Footages: 143' FNL, 128' FEL

QQ, Sec., T., R., M.:

SE/4 NE/4, Section 18, T14S, R8E, SLB&M

5. Lease Designation and Serial Number:

ML-46537

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

N/A

8. Well Name and Number:

Gordon Creek, State 1-18-14-8

9. API Well Number:

43-007-3082

10. Field or Pool, or Wildcat:

Gordon Creek

County: Carbon

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT (Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Access Change</u> | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The access road for the Gordon Creek, State 1-18-14-8 has been relocated to accommodate surface use acquisition problems. The new access road crosses entirely state lands and avoids surface owned by Division of Wildlife Resources and Milton A. Oman, trustee.

The new access road is entirely new construction and does not utilize the existing roads in in the area that cross DWR and Oman surface.

Cultural clearance is being completed at this time and a report will be forward to the SITLA when complete.

RECEIVED

NOV 04 2002

ORIGINAL

DIVISION OF

OIL, GAS AND MINING

13.

Name & Signature:

Don Hamilton

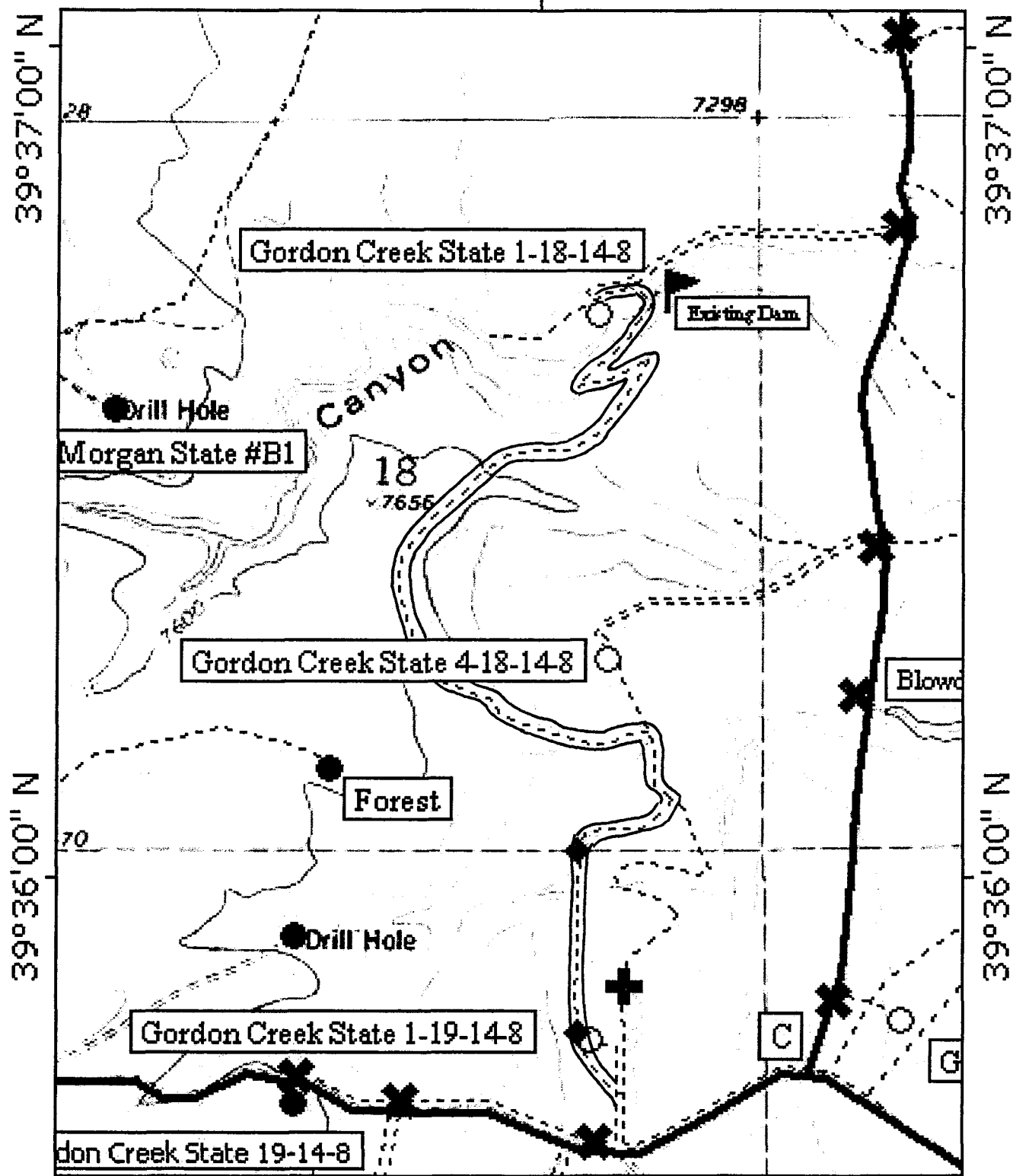
Don Hamilton

Title: Agent for Klabzuba

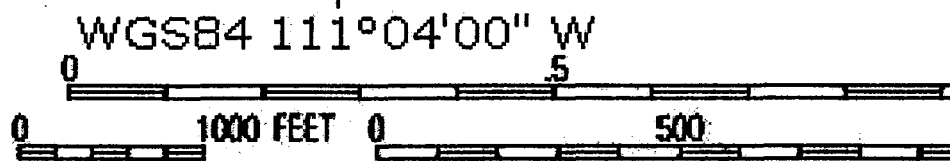
Date: 10-30-02

(This space for state use only)

Gordon Creek Area Map Scale: 1:12,000 GBR IV 10/25/0
WGS84 111°04'00" W



TN * MN
13°



Map created with TOPO!® ©2002 National Geographic (www.nationalgeographic.com)

EXHIBIT "D"
DRILLING PROGRAM

Attached to UDOGM Form 3
Klabzuba Oil and Gas, Inc.
Gordon Creek, State 1A-18-14-8
SE/4 NE/4, Sec. 18, T14S, R8E, SLB & M
1,438' FNL, 1,285' FEL
Carbon County, Utah

1. The Geologic Surface Formation

Emery Sandstone Member of the Mancos Shale

2. Estimated Tops of Important Geologic Markers

	<u>MD</u>
Mancos Blue Gate Marker	3,325'

3. Projected Gas & Water Zones

Mancos Gas Zone:	2,100' – 2,875'
Ferron Sands:	3,420' – 3,740'

Groundwater may be encountered within the Emery Sandstone Member of the Mancos Shale. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 2000 psi.

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4. The Proposed Casing and Cementing Programs

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT, GRADE & JOINT	CONDITION
12-1/4"	2000'	8-5/8"	24# J-55 ST&C	New
7-7/8"	2000' – TD (±4000')	5-1/2"	15.50# J-55 ST&C	New

Cement Program –

Surface Casing: 300 sacks G + 2 % CaCl₂ + 0.25 pps cellophane flakes;
Weight: 15.8 #/gal
Yield: 1.15 cu.ft/sk
Excess: 125%

Production Casing: 230 sacks 50/50 pozmix + 8% gel + 10% salt + 0.25 pps cellophane flake
Weight: 12.5 #/gal
Yield: 2.08 cu.ft/sk
Excess: 25%
395 sacks 10-1 RFC with 0.25 pps cellophane flakes
Weight: 14.2 #/gal
Yield: 1.61 cu.ft/sk
Excess: 25%

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

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5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 2000 psi BOP will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-2000	12-1/4" hole	Drill with air, will mud-up if necessary.
2000-TD	7-7/8" hole	Drill with air, will mud-up if necessary. 500 psi @ 1500-2300 Scf.

7. The Testing, Logging and Coring Programs are as followed

2000-TD Gamma Ray, Density, Neutron Porosity, Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in The area nor at the depths anticipated in this well. Bottom hole pressure expected is 1000 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: November 2002.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"
MULTI-POINT SURFACE USE PLAN

Attached to UDOGM Form 3
Klabzuba Oil and Gas, Inc.
Gordon Creek, State 1A-18-14-8
SE/4 NE/4, Sec. 18, T14S, R8E, SLB & M
1,438' FNL, 1,285' FEL
Carbon County, Utah

1. Existing Roads

- a. The proposed access road will encroach the gravel-surfaced Haley Canyon Road under Carbon County Maintenance in which approval has previously been approved. The approach will be constructed consistent with Carbon County Road specifications (see Exhibit "B").
- b. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition.

2. Planned Access

- a. Approximately 1.5 miles of new access is required since access surface use cannot be obtained across Oman or DWR surface (See Exhibit "B").
- b. Approximately 0.8 miles of existing access road accessing the Gordon Creek, State 4-18-14-8 will be utilized from the county road.
- c. Maximum Width: 20' travel surface with 27' base.
- d. Maximum grade: 25%
- e. Turnouts: None
- f. Drainage design: 5 – 18" culverts may be required. Water will be diverted around the road as necessary and practical.
- g. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- h. All drainage structures will be armored at their outlet with riprap and or energy dissipating structures to minimize erosion potential in the area.

3. Location of Existing Wells

- a. See Exhibit "B". There are no proposed and five existing wells within a one- mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will follow the drilling and completion of the well.
- b. Buried power-lines and water lines will follow the existing two-track road east to the intersection with the main pipeline corridor (see Exhibit "B").
- c. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from Price River Water Improvement District (a local source of municipal water).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. As the well is expected to be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. Well-site Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Attachment "C".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to minimize possible erosion.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existed conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be re-contoured to the natural contour as is possible.

11. Surface Ownership

- a. The well-site and access road will be constructed on lands managed by the School and Institutional Trust Lands Administration, 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information

- a. The primary surface use is wildlife habitat. The nearest dwelling is approximately 6.6 miles southeast. Nearest live water is Summerhouse Spring approximately 5,800' northeast.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. Company Representative

George Rooney
Klabzuba Oil and Gas, Inc
700 – 17th Street
Suite 1300
Denver, Colorado 80202
1-303-382-4443
1-303-619-1908

Permitting Consultant

Don Hamilton
Environ. Man. / Proj. Coord.
Talon Resources, Inc.
195 North 100 West
Huntington, Utah 84528
1-435-650-1886
1-435-687-5310

Excavation Contractor

Dennis Jensen
Vice President
JNR Construction
P.O. Box 1598
Roosevelt, Utah 84066
1-435-722-3996
1-435-823-6590

Mail Approved A.P.D. To:

Company Representative

14. Certification

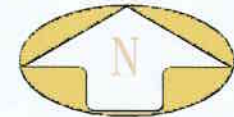
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by Klabzuba Oil and Gas, Inc. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

12-3-02
Date

Don Hamilton
Don Hamilton
Agent for Klabzuba Oil and Gas, Inc.

ORIGINAL

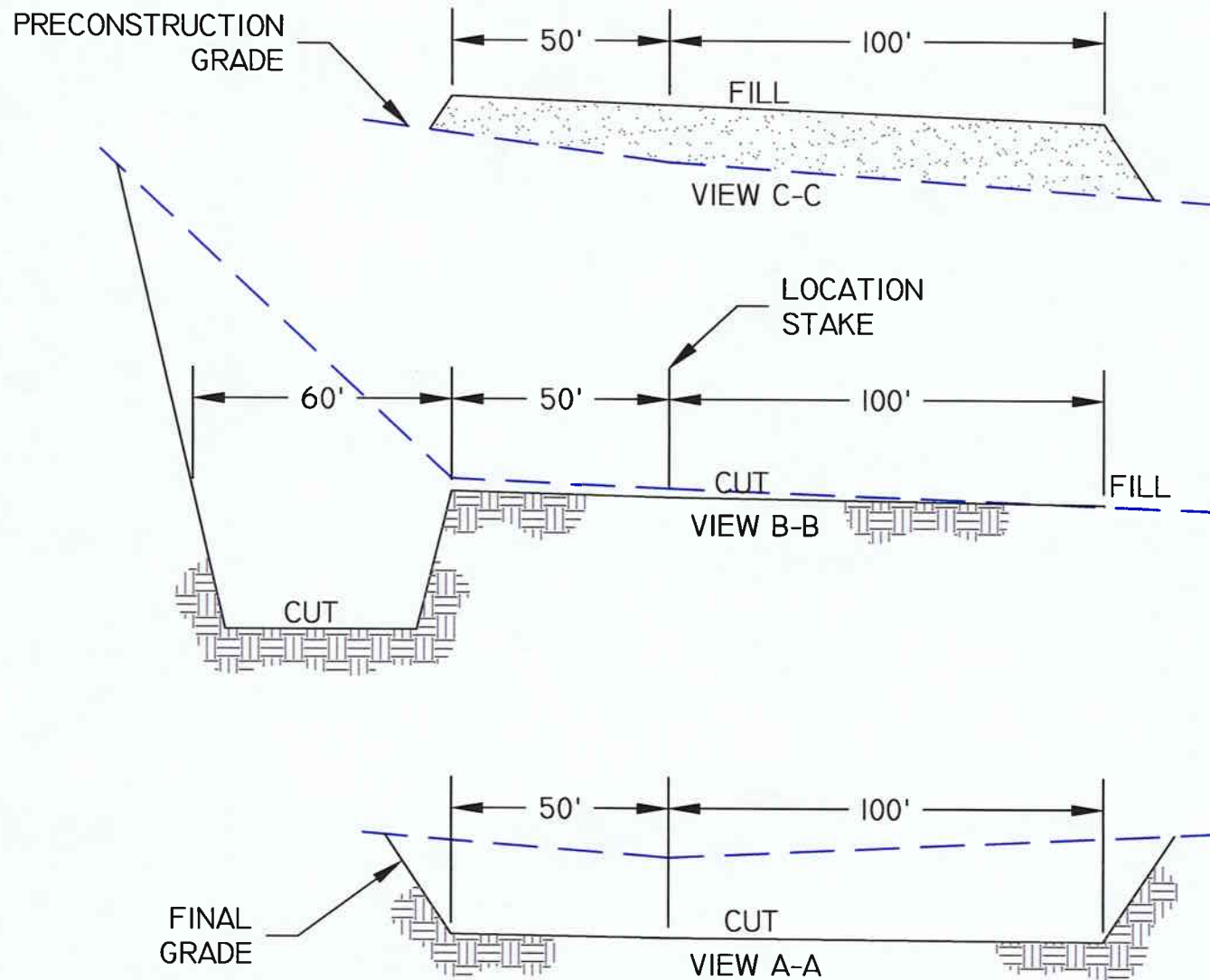
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7337.7'



Price - Huntington, Utah
Phone (435)637-8781 Fax (435)636-8603
E-Mail talon@castlenet.com

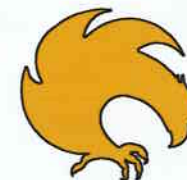
WELL #1A-18-14-8

Job No.
526



1"=10'
X-Section
Scale
1"=40'

SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 ; 1



TALON RESOURCES, INC.

Price - Huntington, Utah
Phone (435)637-8781 Fax (435)636-8603
E-Mail talon@castlenet.com

KLABZUBA OIL & GAS
TYPICAL CROSS SECTION
Section 18, T14S, R8E, S.L.B.&M.
WELL #1A-18-14-8

Drawn By:
T. DAVIS

Checked By:
L.W.J.

Drawing No.
C-1

Date:
8/30/02

Scale:
1" = 40'

Sheet **3** of **4**

Job No.
526

APPROXIMATE YARDAGES

CUT

(6") TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 2,585 CU. YDS.

TOTAL CUT = 5,825 CU. YDS.

TOTAL FILL = 1,125 CU. YDS.

111.08333° W

111.06667° W

WGS84 111.05000° W

39.61667° N

39.61667° N

39.60000° N

39.60000° N

39.58333° N

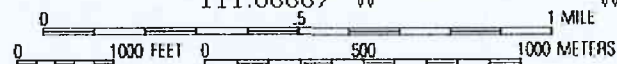
39.58333° N

111.08333° W

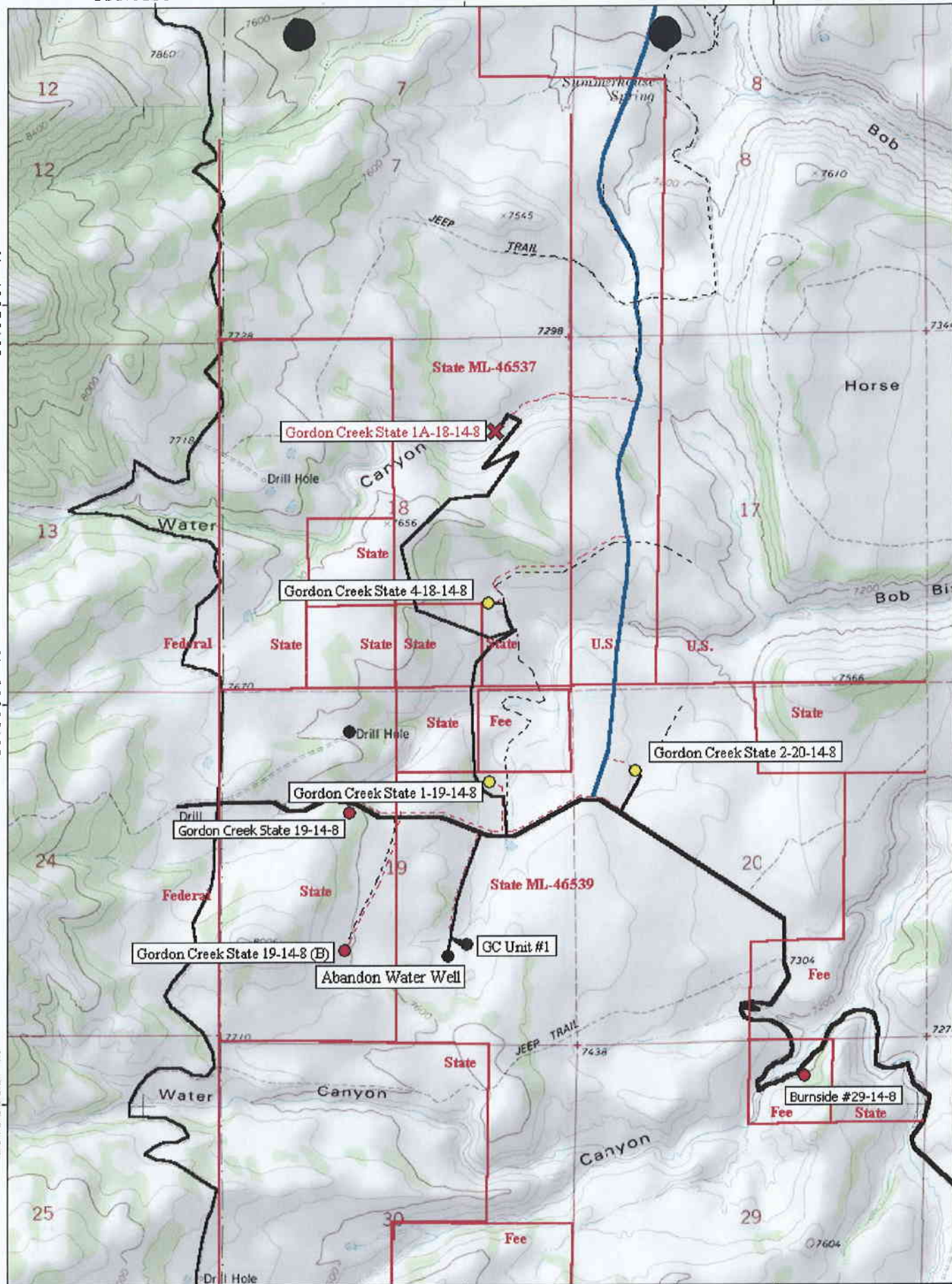
111.06667° W

WGS84 111.05000° W

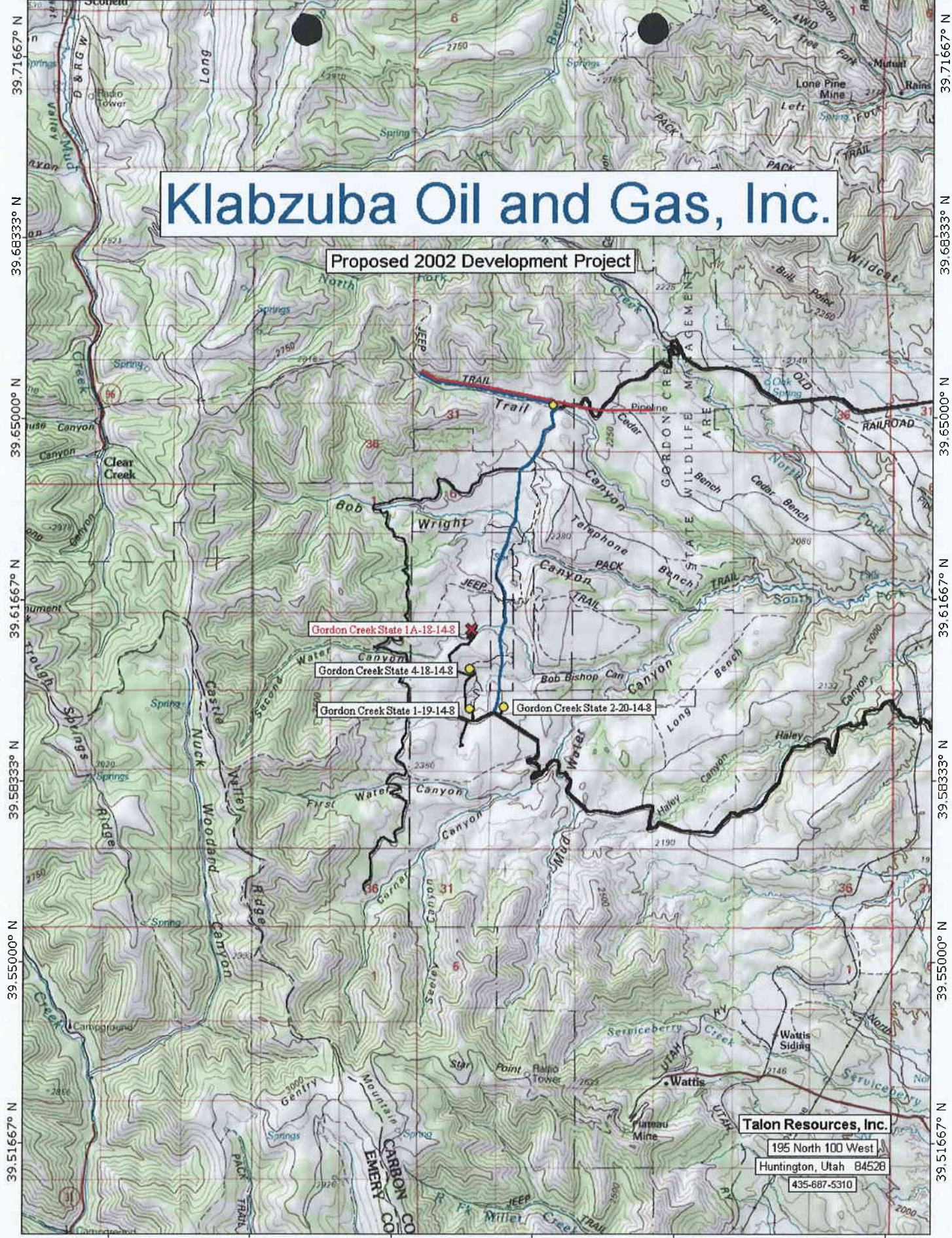
TN/MN
13°



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111.15000° W 111.11667° W 111.08333° W 111.05000° W 111.01667° W WGS84 110.96667° W



Klabzuba Oil and Gas, Inc.

Proposed 2002 Development Project

Gordon Creek State 1A-18-148

Gordon Creek State 4-18-148

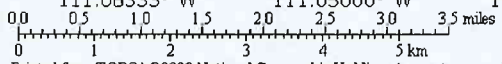
Gordon Creek State 1-19-148

Gordon Creek State 2-20-148

Talon Resources, Inc.

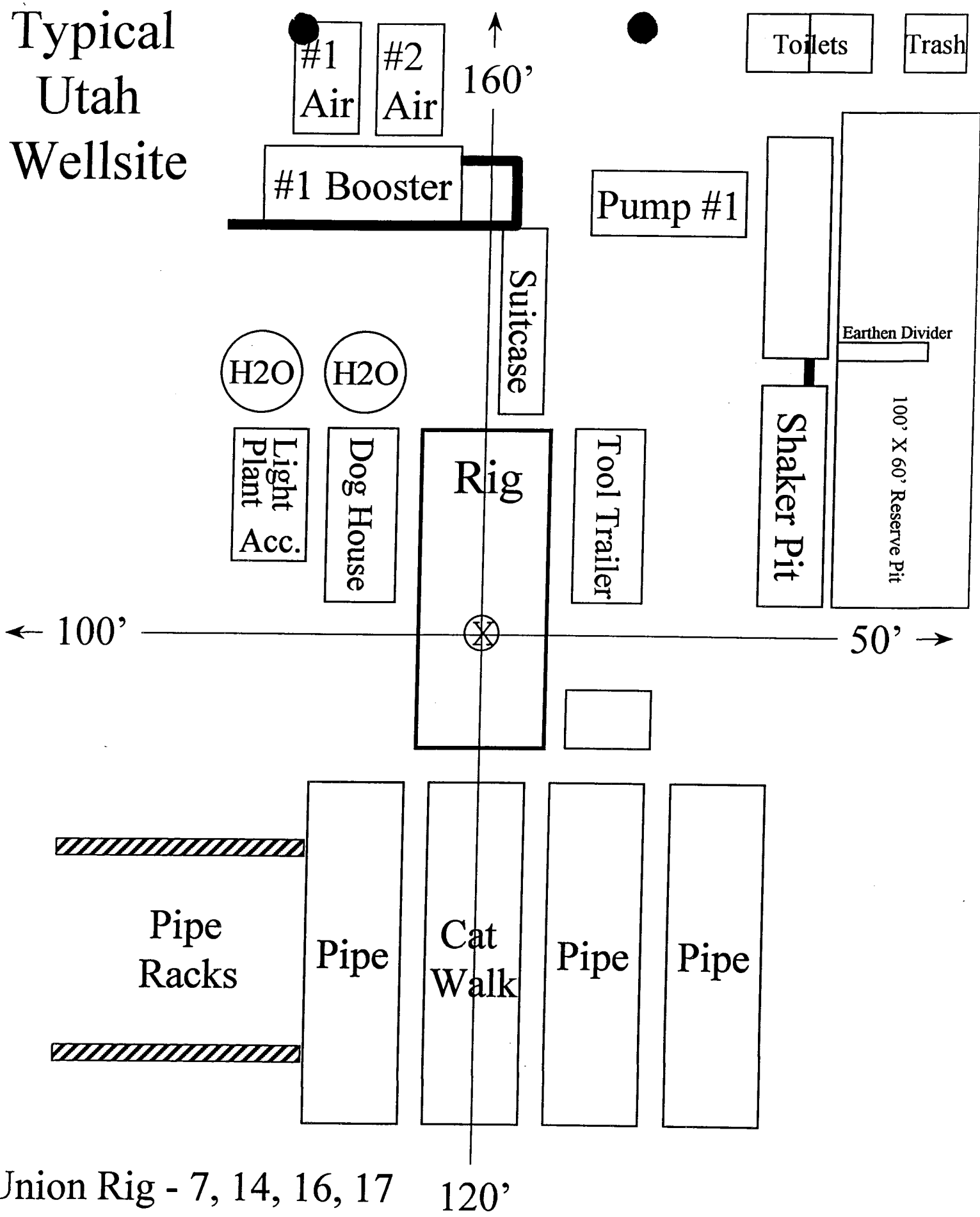
195 North 100 West
Huntington, Utah 84528
435-687-5310

111.15000° W 111.11667° W 111.08333° W 111.05000° W 111.01667° W WGS84 110.96667° W



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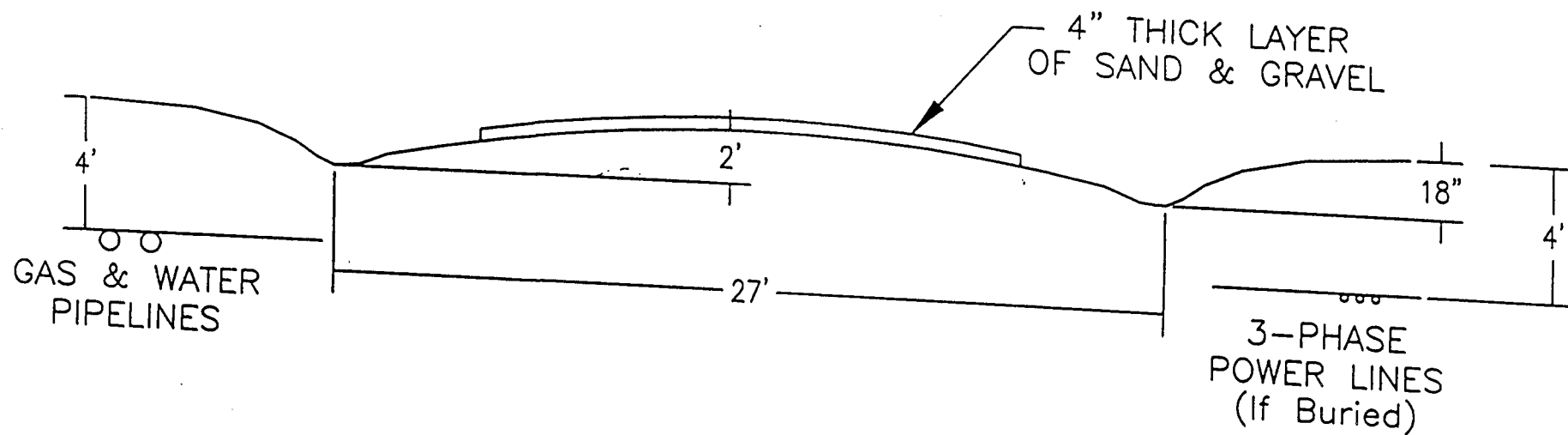
Typical Utah Wellsite



Union Rig - 7, 14, 16, 17 120'

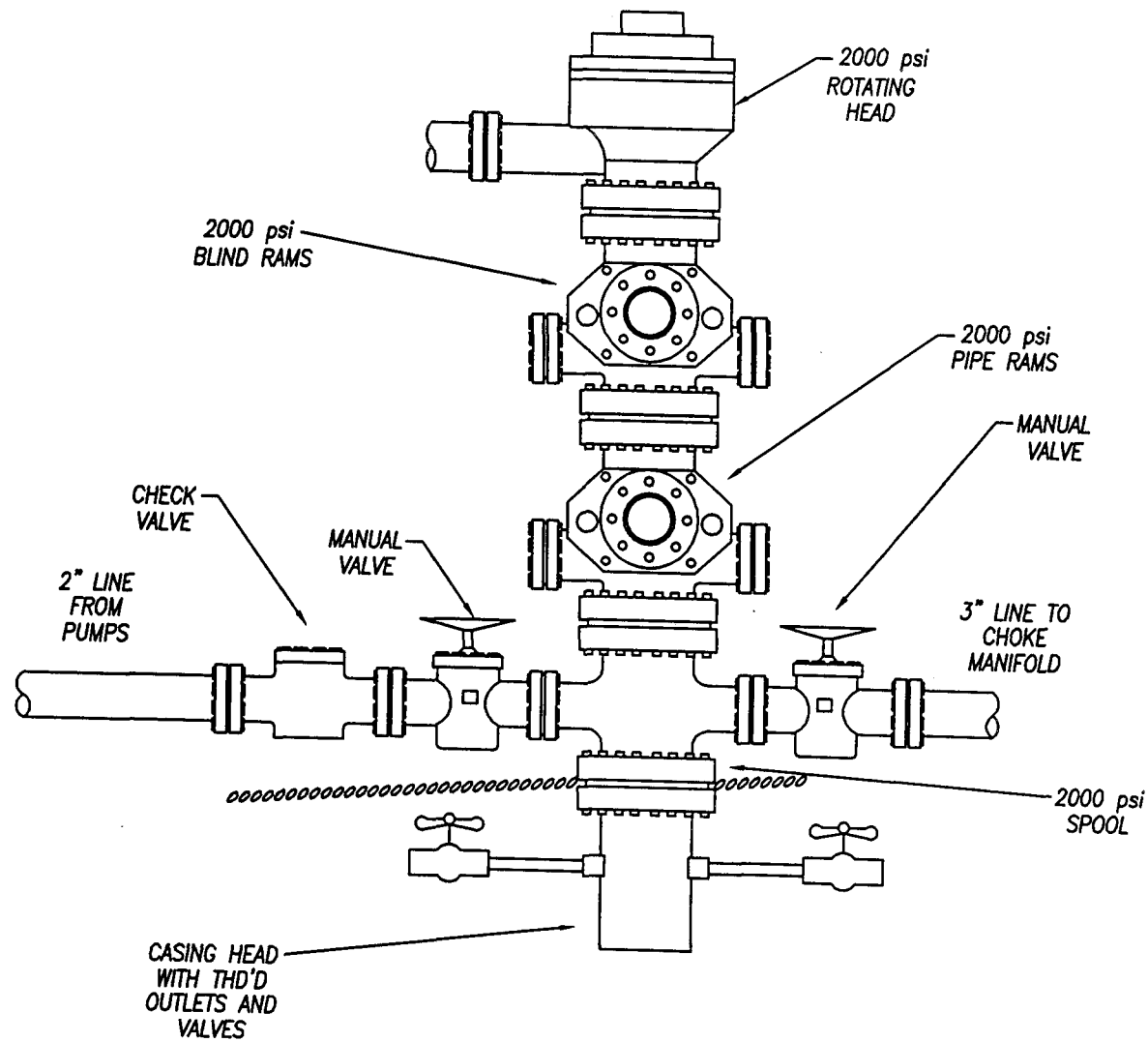
Location Size - 280' L x 150' W ↓

TYPICAL ROAD CROSS-SECTION

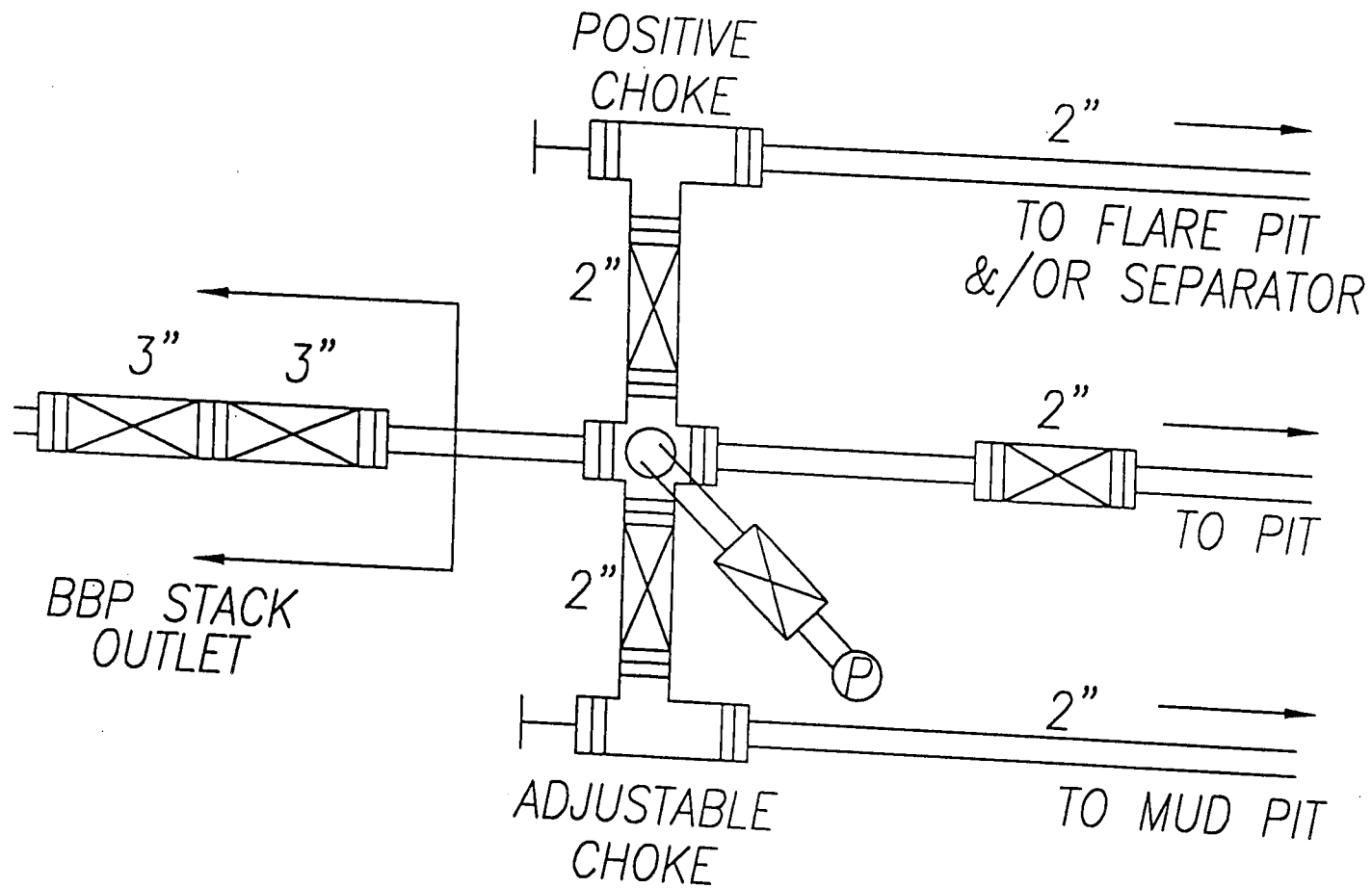


BOP Equipment

2000psi WP



CHOKE MANIFOLD



DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

Klabzuba Oil and Gas, Inc.

3. Address and Telephone Number:

700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443

4. Location of Well

Footages:

1452' FNL, 1304' FEL

QQ, Sec., T., R., M.:

SE/4 NE/4, Section 18, T14S, R8E, SLB&M

5. Lease Designation and Serial Number:

ML-46537

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

N/A

8. Well Name and Number:

Gordon Creek, State 1-18-14-8

9. API Well Number:

43-007-30882

10. Field or Pool, or Wildcat:

Gordon Creek

County:

Carbon

State:

Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**NOTICE OF INTENT**

(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT

(Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Plug, abandon and skid rig</u> | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Klabzuba Oil and Gas, Inc. requests change of well status to plugged and abandon for the Gordon Creek, State 1-18-14-8 well because of hole problems encountered that led to the breaching of the 40' conductor casing. Following numerous attempts to repair the breach it was decided to skid the rig approximately 20' South to avoid loss of the hole and possible problems associated with rig instability.

Klabzuba has placed four plugs from 540' to surface utilizing 400 sacks of Class G cement with 3% CaCl₂ that was witnessed by UDOGM representative Mark Jones.

Klabzuba encountered rock at a depth of 41', following is the ideologies encountered:

Mancos Shale surface to 41' (Unconsolidated sands with shale)

Emery Sandstone 41'—581' (TD)

RECEIVED

NOV 25 2002

ORIGINAL

13.

DIVISION OF
OIL, GAS AND MININGName & Signature: Don Hamilton

Don Hamilton

Title: Agent for Klabzuba

Date: 11-21-02

(This space for state use only)

DIVISION OF OIL, GAS AND MINING

003

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

Klabzuba Oil and Gas, Inc.

3. Address and Telephone Number:

700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443

4. Location of Well

Footages:

1452' FNL, 1304' FEL

QQ, Sec., T., R., M.:

SE/4 NE/4, Section 18, T14S, R8E, SLB&M

5. Lease Designation and Serial Number:

ML-46537

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

N/A

8. Well Name and Number:

Gordon Creek, State 1-18-14-8

9. API Well Number:

43-007-30882

10. Field or Pool, or Wildcat:

Gordon Creek

County: Carbon

State: Utah

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |

☒ Other Plug, abandon and skid rig

Approximate date work will start

11-20-02

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Klabzuba Oil and Gas, Inc. requests permission to plug and abandon the Gordon Creek, State 1-18-14-8 well because of hole problems encountered earlier this week. Water was encountered at 540' that led to the breaching of the 40' conductor casing. Following numerous attempts to repair the breach it was decided to skid the rig approximately 20' South to avoid loss of the hole and possible problems associated with rig instability.

Klabzuba intends to plug the well from 540' to surface utilizing three open hole balance plugs.
Class "C" cement

Communications between Klabzuba and Dustin R. Doucet gained verbal approval at 10:00 am on 11-20-02.

RECEIVED

NOV 25 2002

ORIGINAL

13.

DIVISION OF
OIL, GAS AND MINING

Name & Signature:

Don Hamilton

Don Hamilton

Title: Agent for Klabzuba

Date: 11-20-02

(This space for state use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 11/25/2002
BY: [Signature]

COPY SENT TO OPERATOR

Date: 11-25-02

Initials: CJD

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. Lease Designation and Serial Number: ML-46537	
B. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. If Indian, Allottee or Tribe Name: N/A	
2. Name of Operator: Klabzuba Oil and Gas, Inc.		7. Unit Agreement Name: N/A	
3. Address and Telephone Number: 700 17th St., Ste. 1300, Denver, CO 80202 1-303-382-4443		8. Farm or Lease Name: Gordon Creek, State	
4. Location of Well (Footages) At Surface: 1,438' FNL, 1,285' FEL 4384414Y 39.6136 At Proposed Producing Zone: 194433X -111.66485		9. Well Number: 1A-18-14-8	
14. Distance in miles and direction from nearest town or post office: 13.7 miles west of Price, Utah		10. Field or Pool, or Wildcat: Gordon Creek	
15. Distance to nearest property or lease line (feet): 1,285'		11. Qtr/Qtr, Section, Township, Range, Meridian: SE/4 NE/4, Section 18, T14S, R8E, SLB&M	
16. Number of acres in lease: 1,679.36 acres		12. County: Carbon	
17. Number of acres assigned to this well: 40		13. State: Utah	
18. Distance to nearest well, drilling, completed, or applied for, or 2,600'		19. Proposed Depth: +4,000'	
20. Rotary or cable tools: Rotary		21. Approximate date work will start: November, 2002	
21. Elevations (show whether DF, RT, GR, etc.): 7,338' GR			

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55 ST&C	24 #	2000'	300 sacks Class G cement + 2% CaCl ₂ + 0.25 pps cellophane flakes
7-7/8"	5-1/2" J-55 ST&C	15.50 #	±4000'	230 sacks 50/50 pozmix + 8% gel + 10% salt + 0.25 pps cellophane flakes
				395 sacks Class G + 10-1 RFC + .25 pps cellophane flakes

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.*

Bond Information has been provided under separate cover from Klabzuba Oil and Gas, Inc.

Surface Owner: State of Utah

Landowner Representative: SITLA; 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100

RIG SKID

RECEIVED

DEC 09 2002

DIV. OF OIL, GAS & MINING

ORIGINAL

CONFIDENTIAL

24.

Name & Signature: Don Hamilton Don Hamilton Title: Agent for Klabzuba Date: 12-3-2002

(This space for state use only)

API Number Assigned: 43-007-30892

Approval:

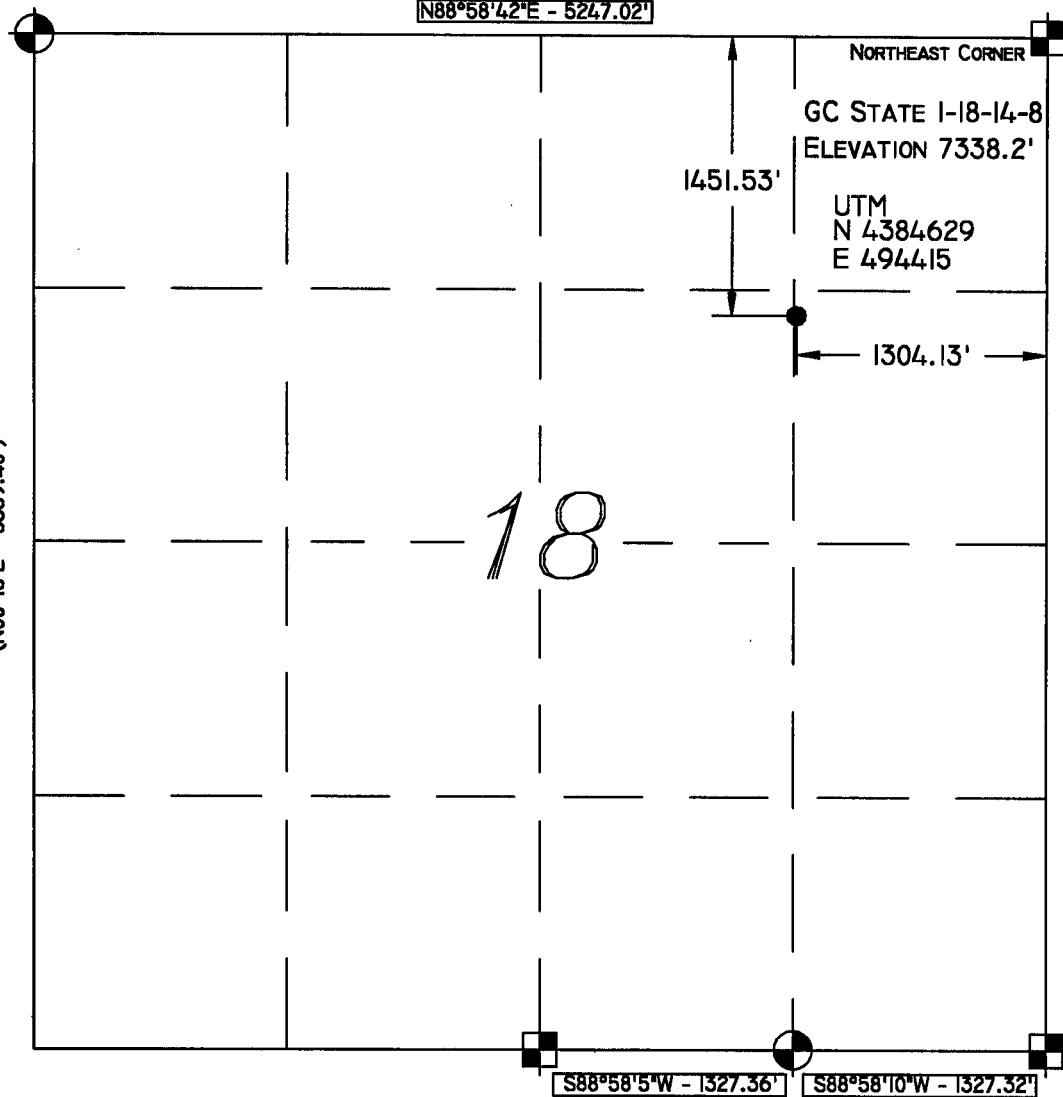
APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 11-25-02
BY: [Signature]

Range 8 East

(N89°49'E - 5253.60')

(N88°58'42"E - 5247.02')

Township 14 South
(N00°15'E - 5339.40')



(EAST - 5245.68')



MARKED SANDSTONE, ROCKPILES (FOUND)

NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 83 DATUM.

LAT / LONG

39°36'41"
111°03'54"

Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

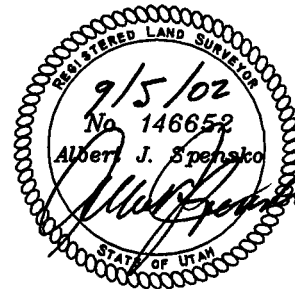
BASIS OF ELEVATION OF 7438' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 19, TOWNSHIP 14 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE WATTIS QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SE1/4 NE1/4 OF SECTION 18, T14S, R8E, SLB&M, BEING 1451.53' SOUTH AND 1304.13' WEST FROM THE NORTHEAST CORNER OF SECTION 18, T14S, R8E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



GRAPHIC SCALE

0 500' 1000'

(IN FEET)

1 inch = 1000 ft.



TALON RESOURCES, INC.

Price & Huntington, Utah

Phone (435) 637-8781 Fax (435) 636-8603

E-Mail talon@castlenet.com

KLABZUBA OIL & GAS

GC, STATE 1-18-14-8

Section 18, T14S, R8E, S.L.B.&M.

Carbon County, Utah

Drawn By:
T.DAVIS

Checked By:
L.W.J. / A.J.S

Drawing No.

A-1

Date:

9/4/02

Scale:

1" = 1000'

Job No.

526

Sheet 1 of 4

LEGEND



DRILL HOLE LOCATION



BRASS CAP (FOUND)



BRASS CAP (SEARCHED FOR, BUT NOT FOUND)



CALCULATED CORNER



() GLO

GPS MEASURED

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

002

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL ☐ GAS ☒ OTHER:

2. Name of Operator:

Klabzuba Oil and Gas, Inc.

3. Address and Telephone Number:

700—17th Street, Ste. 1300, Denver, CO 80202 1-303-382-4443

4. Location of Well

Footages: 1452' FNL, 1304' FEL

QQ, Sec., T., R., M.:

SE/4 NE/4, Section 18, T14S, R8E, SLB&M

5. Lease Designation and Serial Number:

ML-46537

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

N/A

8. Well Name and Number:

Gordon Creek, State 1-18-14-8

9. API Well Number:

43-007-30882

10. Field or Pool, or Wildcat:

Gordon Creek

County: Carbon

State: Utah

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA****NOTICE OF INTENT**
(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Rig Skid</u> | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Klabzuba Oil and Gas, Inc. has skid the rig from the Gordon Creek, State 1-18-14-8 sited at 1,452' FNL, 1,304' FEL, SE/4 NE/4, Section 18, T14S, R8E, SLB&M. to a new well, named the Gordon Creek, State 1A-18-14-8 is sited at 1,438' FNL, 1,285' FEL, SE/4 NE/4, Section 18, T14S, R8E, SLB&M.

Klabzuba Oil and Gas, Inc. skid the rig 23.41' northeast.

Attached is a new APD reflecting the skid location Gordon Creek, State 1A-18-14-8.

RECEIVED

DEC 09 2002

DIV. OF OIL, GAS & MINING

ORIGINAL

13.

Name & Signature:

Don Hamilton

Don Hamilton

Title: Agent for Klabzuba

Date: 12-3-02

(This space for state use only)

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/06/2002

API NO. ASSIGNED: 43-007-30892

WELL NAME: GORDON CREEK ST 1A-18-14-8

OPERATOR: KLABZUBA OIL & GAS INC (N1325)

CONTACT: DON HAMILTON/AGENT

PHONE NUMBER: 435-687-5310

PROPOSED LOCATION:

SENE 18 140S 080E

SURFACE: 1438 FNL 1285 FEL

BOTTOM: 1438 FNL 1285 FEL

CARBON

GORDON CREEK (20)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-46537 *OK*

SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	<i>DRO</i>	<i>12/11/02</i>
Geology		
Surface		

LATITUDE: 39.61136

LONGITUDE: 111.06485

RECEIVED AND/OR REVIEWED:

☒ Plat

☒ Bond: Fed[] Ind[] Sta[3] Fee[]
 (No. B32644644)

☒ Potash (Y/N)

☒ Oil Shale 190-5 (B) or 190-3 or 190-13

☒ Water Permit
 (No. MUNICIPAL)

☒ RDCC Review (Y/N)
 (Date: _____)

☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3.

Unit _____

R649-3-2. General

Siting: 460' From Qtr/Qtr & 920' Between Wells

R649-3-3. Exception

☒ Drilling UnitBoard Cause No: 248-01 (1/100)Eff Date: 5-15-02Siting: 460' fr a boundary & 920' between wells

R649-3-11. Directional Drill

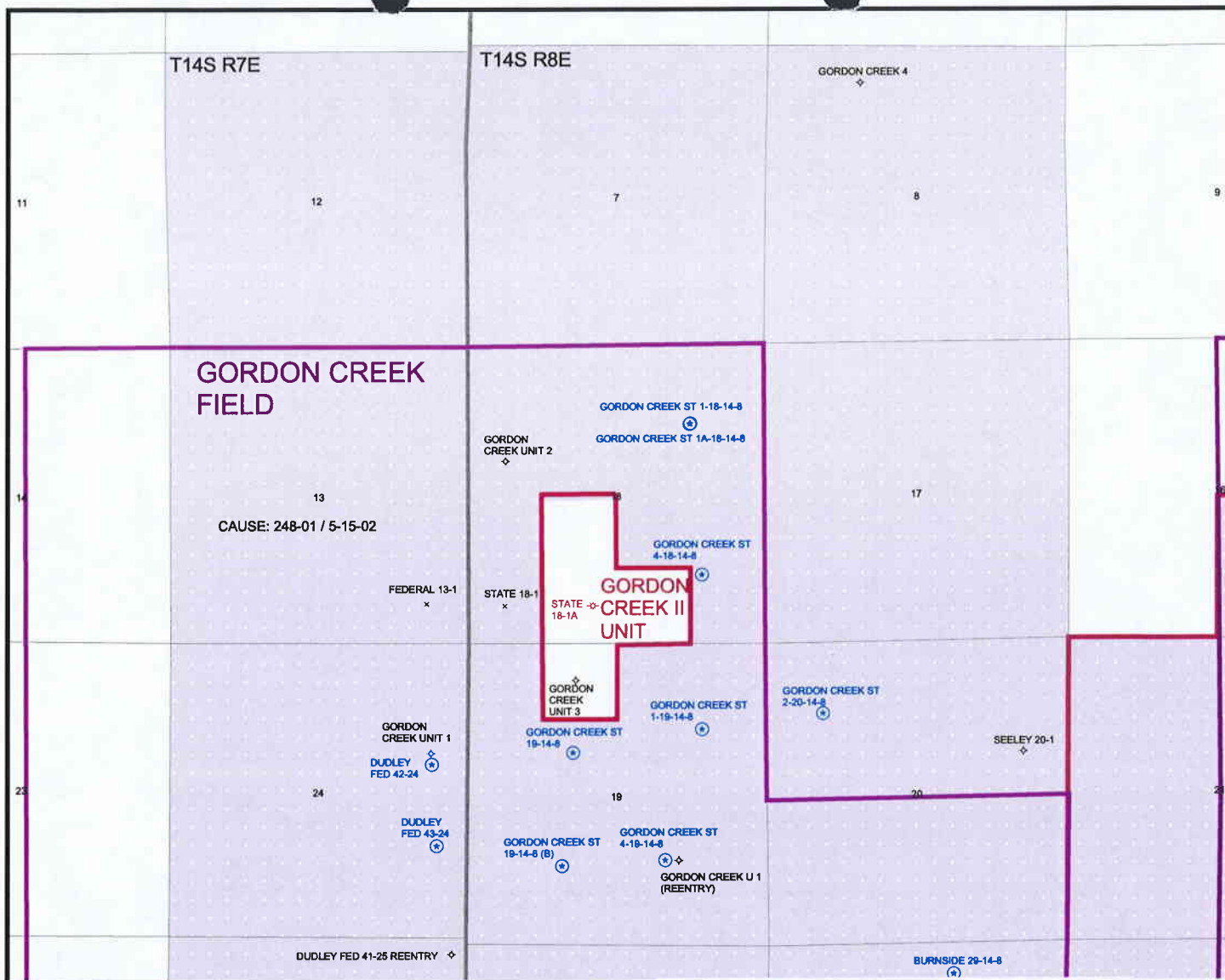
COMMENTS:

Drill already approved on 9-27-02 (Add permit not required per Admin)

Permit approved on 11/25/02

Orig Well 43-007-30892 PA 11/20/2002 / Recd Well 5/30/2003

STIPULATIONS: (1) Surface Casing Cement Slip



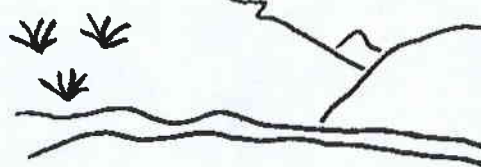
OPERATOR: KLABZUBA O&G INC (N1325)

SEC. 18 T14S, R8E,

FIELD: GORDON CREEK (20)

COUNTY: CARBON

CAUSE: 248-01 / 5-15-02



Utah Oil Gas and Mining

WELLS

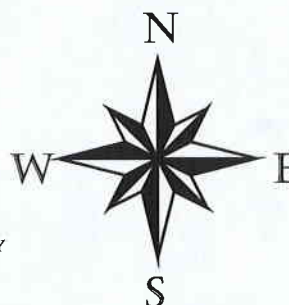
- ✂ GAS INJECTION
- ◊ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- * PRODUCING GAS
- PRODUCING OIL
- ◊ SHUT-IN GAS
- ◊ SHUT-IN OIL
- × TEMP. ABANDONED
- ◊ TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ⚡ WATER DISPOSAL

UNIT STATUS

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

FIELD STATUS

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- COUNTY BOUNDARY
- SECTION LINES
- TOWNSHIP LINES



PREPARED BY: DIANA MASON
DATE: 11-DECEMBER-2002

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas well ☐ Other

CONFIDENTIAL

2. Name of Operator

KLABZUBA OIL & Gas INC.

3. Address and Telephone No.

700 Seventeenth Street, Suite 1300 Denver, CO 80202 (303) 299-9097

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SE/NE 1438' FNL & 1285' FEL Section 18-T14S-R8E

5. Lease Designation and Serial No.

ML-46537

6. If Indian, Allottee or Tribe Name

NA

7. If unit or CA, Agreement Designation

NA

8. Well Name and No.

Gordon Creek State 1A-18-14-8

9. API Well No.

43-007-30892

10. Field and Pool, or Exploratory Area

Gordon Creek

11. County or Parish, State

Carbon, UT

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing repair
☐ Altering Casing
☒ Other 1st Production

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Note: The above referenced well went on 1st production December 17th, 2002

RECEIVED

DEC 31 2002

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed George B. Rooney
George Rooney

Title Project Engineer

Date 12.22.02

(This space of Federal or State office use.)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly to make to any department of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

KLABZUBA OIL & GAS, INC.

Legacy Tower, Suite 1300
700 Seventeenth Street
Denver, Colorado 80202-3512
Phone: 303-299-9097 Fax: 303-299-9087

RECEIVED

JAN 09 2003

DIV. OF OIL, GAS & MINING

January 6, 2003

Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, UT 84114-4820
Attn: Brad Hill

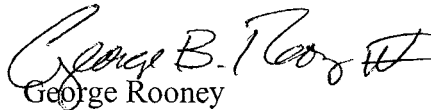
Dear Brad,

Enclosed is the completion report for the Gordon Creek State 1A-18-14-8 well operated by Klabzuba Oil & Gas Inc. I have provided the information on a Federal Completion Report, as the State form (a pdf file) does not accommodate providing the information requested. Hopefully this is OK.

Klabzuba requests the information associated with this well be held tight hole for 1 year, as provided by State statutes. I will forward copies of the logs in a few weeks, after we get them in the office.

Please call me at (303) 299-9097 ext. 111 if you have any questions.

Sincerely,


George Rooney

Principal Office

Lexington Place
930 West First Street
Fort Worth, Texas 76102
Phone 817-336-5757 FAX 817-336-5927

Havre Office

48 Second Avenue
P.O. Box 40
Havre, Montana 59501
Phone 406-262-9912 FAX 406-262-9400

Arkoma Basin Office

5908 Jenny Lind Road
Fort Smith, Arkansas 72908-7497
Phone 501-649-0300 FAX 501-649-0500

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

009

WELL COMPLETION OR RECOMPLETION REPORT AND LOG***1a. TYPE OF WORK**

OIL

WELL ☐

GAS

WELL ☒DRY ☐

Other:

1b. TYPE OF WELLNEW
WELL ☒WORKOVER ☐DEEPEN ☐Plug
Back ☐DIFF
RESVR. ☐

Other:

2. NAME OF OPERATOR

Klabzuba Oil & Gas Co.

3. ADDRESS AND TELEPHONE NO.

700 17th St. Suite 1300 Denver, CO 80202

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface

1438' FSL & 1285' FEL (SE/NE) Sec. 18, Twp. 14S, Rng. 8E

At top prod. Interval reported below

Same

At total depth

Same

14. API NO.

43-007-30892

DATE ISSUED

Oct. 2002

12. COUNTY OR PARISH

Carbon

13. STATE

UT

15. DATE SPUDDED

11/22/02

16. DATE T.D. REACHED

12/07/02

17. DATE COMPL. (Ready to prod.)

12/08/02

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

7338' GR

7348' KB

19. ELEV. CASINGHEAD**20. TOTAL DEPTH, MD & TVD**

3563' KB

21. PLUG BACK T.D., MD & TVD

3550' KB

22. IF MULTIPLE COMPL., HOW MANY*

3

23. INTERVALS DRILLED BY

----->

ROTARY TOOLS

X

CABLE TOOLS**24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)***

Ferron C SS 3262' - 3334' & Ferron B SS 3364'-3418'

RIG SKID**25. WAS DIRECTIONAL SURVEY MADE**

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

Open Hole DIGL/SP/CDL/GR/Cal

27. WAS WELL CORED

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" - J-55	23#	2161'	12-1/4"	560 sxs 50/50 Premium Lite II, 280 sxs of Class G, 80 sxs Thix, and 200 sxs G Top out	
5 1/2" - N-80	17#	3563'	7 7/8"	62 sxs Premium Lite II & 100 sxs Premium II	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	EOT @	3352' KB
						3365' KB	

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	SPF/#shots	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
(Ferron A) 32' & 3482-89'	0.51"	4/108	Same	Acidize w/1000 gal 15% HCL Non-productive
(Ferron B) 3404-18', 3364-86'	0.51"	4/132	Same	Acidize w/2500 gal 15% HCL Non-Productive
(Ferron B) 3404-18', 3364-86'	0.51"	4/132	Frac w348 bbls gelled water, 600,000 SCF N2, (70 Q Foam), and 60,020# 16/30 sand	
(Ferron C) 3334 & 3262-70'	0.51"	4/132		Acidize w/2500 gal 15% HCL

33.* PRODUCTION

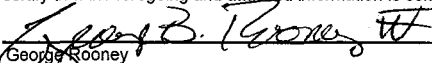
DATE FIRST PRODUCTION 12/17/02		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Flowing				PERIOD EXPIRED 1-3-04		WELL STATUS (Producing or shut-in) Producing as of 12/17/02	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD ----->	OIL--BBL.	GAS--MCF 1000	WATER--BBL 10	GAS-OIL RATIO		
FLOW. TUBING PRESS. 700 psig Ferron C	CASING PRESSURE 700 psig Ferron B	CALCULATED 24-HOUR RATE ----->	OIL-BBL. 0	GAS--MCF. 1000 MCFPD Ferron C & B	WATER--BBL. 10 BWPD		OIL GRAVITY-API (CORR.) NA		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY**35. LIST OF ATTACHMENTS****36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records**

SIGNED



George B. Rooney

TITLE

Petroleum Engineer

DATE

1/6/2003

GBRIV

*(See Instructions and Spaces for Additional Data on Reverse Side)

CONFIDENTIAL

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals, and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries);	38. GEOLOGIC MARKERS			
	FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.

RECEIVED

JAN 9 2003

DIV. OF OIL, GAS & MINING

008

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Klabzuba Oil & Gas Inc.
Address: 4100 1st Street West
city Havre
state MT zip 59501

Operator Account Number: N 1325**RIG SKID**Phone Number: (406) 262-9900**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300730724	Gordon Creek State 19-14-8		senw	19	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	13251	7/11/2001			8-20-01	
Comments:							

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300730881	Gordon Creek State 4-18-14-8		sese	18	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	13665	11/4/2002			11-18-02	
Comments: Spud Date: 01/11/79 Re-Entry Date: 10/08/02							
CONFIDENTIAL							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300730892	Gordon Creek State 1A-18-14-8		sene	18	14S	8E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	13709	11/22/2002			1-21-03	
Comments:							
CONFIDENTIAL							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

RECEIVED

George Rooney

Name (Please Print)

Signature

Project Engineer

1/21/2003

Title

Date

(5/2000)

JAN 21 2003

DIV. OF OIL, GAS & MINING

June 18, 2003

Memo to File:

From: Gil Hunt 

Re: Gordon Creek State 1A-18-14-8 Well, 18, T14S, R8E, Carbon County
43-007-30892

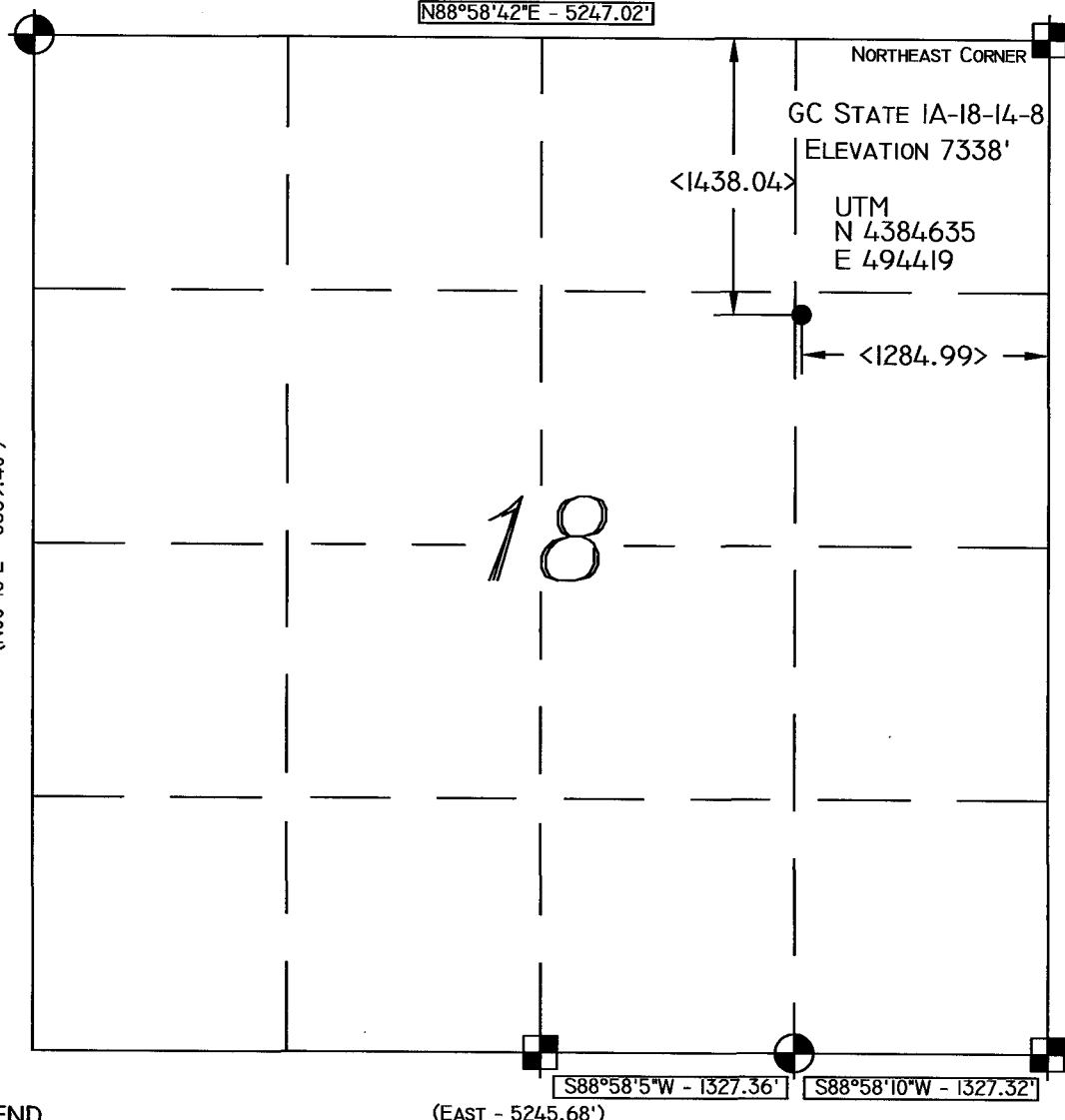
This well resulted from a rig skid after encountering down-hole problems in the original well, the Gordon Creek State 1-18-14-8 (43-007-30882), which was plugged and abandoned on November 20, 2002. The Division's approval to skid the rig and drill the new well was given on November 25, 2002, by Sundry Notice of same date. New APD information was later received but an approval letter was never issued for the 1A-18-14-8 well. The approval date on the APD is also November 25, 2002, matching the Division's original approval.

Range 8 East

(N89°49'E - 5253.60')

(N88°58'42"E - 5247.02')

Township 14 South
(N00°15'E - 5339.40')



LEGEND

- DRILL HOLE LOCATION
- ⊙ BRASS CAP (FOUND)
- BRASS CAP (SEARCHED FOR, BUT NOT FOUND)
- △ CALCULATED CORNER
- () GLO

GPS MEASURED

MARKED SANDSTONE, ROCKPILES (FOUND)

NOTE:

UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 83 DATUM.

ORIGINAL

REVISED 11/22/02

LAT / LONG
39°36'48"
111°03'54"

Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

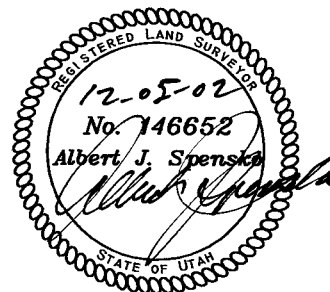
BASIS OF ELEVATION OF 7438' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 19, TOWNSHIP 14 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE WATTIS QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SE1/4 NE1/4 OF SECTION 18, T14S, R8E, SLB&M, BEING 1438.04' SOUTH AND 1284.99' WEST FROM THE NORTHEAST CORNER OF SECTION 18, T14S, R8E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.



TALON RESOURCES, INC.

Price & Huntington, Utah

Phone (435)637-8781 Fax (435)636-8603

E-Mail talon@castlenet.com

KLABZUBA OIL & GAS

GC, STATE 1A-18-14-8

Section 18, T14S, R8E, S.L.B.&M.

Carbon County, Utah

Drawn By:
BEN SCOTT

Drawing No.
A-1

Checked By:
L.W.J. / A.J.S.

Date:
9/4/02

Scale:
1" = 1000'

Job No.
526

Sheet 1 of 4

0-1 0



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 3, 2005

CERTIFIED MAIL NO. 7002 0510 0003 8602 5788

Mr. George Rooney
Klabzuba Oil & Gas Inc.
700 17th Street, Suite 1300
Denver, Colorado 80202

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for Fee or State Leases.

Dear Mr. Rooney:

As of March 2005, Klabzuba Oil & Gas Inc. has one (1) Fee Lease Well and two (2) State Lease Wells (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Page 2
Mr. George Rooney
March 3, 2005

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DTS:jc
Attachment
cc: John Baza
Well File
SITLA

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: KLABZUBA OIL & GAS INC

Today's Date: 10/14/2003

145 8E 18

Well:

API Number:

Drilling Commenced:

LOGS ONLY NOT RECEIVED

GORDON CREEK STATE 19-14-8

4300730724

GORDON CREEK STATE 19-14-8 (B)

4300730807

GORDON CREEK STATE 1A-18-14-8

~~4300730892~~

GORDON CREEK STATE 1-19-14-8

4300730874

GORDON CREEK STATE 4-18-14-8

4300730881

GORDON CREEK UNIT 1

4300730044

OPEN HOLE NEC/IL/DN/GR LOG ONLY

To avoid compliance action, required reports should be mailed within 7 business days to:

Utah Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

P.O. Box 145801

Salt Lake City, Utah 84114-5801

If you have questions or concerns regarding this matter, please call (801) 538-5284.

013

KLABZUBA OIL AND GAS

A FAMILY LIMITED PARTNERSHIP

700 Seventeenth Street, Suite 1300
Denver, Colorado 80202-3512
Phone: 303-299-9097 Fax: 303-299-9087

RECEIVED

APR 29 2005

DIV. OF OIL, GAS & MINING

April 27, 2005

Division of Oil, Gas, and Mining
P.O. Box 145801
Salt Lake City, UT 84114-4820
Attn: Dustin Doucet

Dear Dustin,

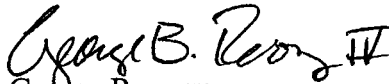
As a follow up to our phone conversation in early April, Klabzuba Oil & Gas Co. intends to plug the Burnside 29-14-8 and GCS 2-20-14-8 wells this summer. The GCS 1A-18-14 well is currently producing. There could be some confusion associated with the status of this well, as KOG plugged the original GCS 1-18-14-8 well due to conductor casing failure, and skidded the rig.

Klabzuba has submitted completion reports on all the wells mentioned in your March 3 letter, but I have included well bore diagrams.

I will follow up with a sundry notice to plug the wells and a proposal for doing the work.

Please call me at (303) 619-1908 if you have any questions.

Sincerely,


George Rooney

Principal Office

Lexington Place
930 West First Street
Fort Worth, Texas 76102
Phone 817-336-5757 FAX 817-336-5927

Havre Office

P.O. Box 40
4100 1st Street West
Havre, Montana 59501
Phone 406-262-9900 FAX 406-262-9400

Arkoma Basin Office

5908 Jenny Lind Road
Fort Smith, Arkansas 72908-7497
Phone 479-649-0300 FAX 479-649-0500

Spud Date: 12/05/02
Waiting on Final Completion
GL: 7359' KB: 7369'

Gordon Creek State 2-20-14-8

Wellbore Diagram

Updated 11/28/03

Initial Production: NA MCFPD

SURFACE CASING

CSG SIZE: 8-5/8"
GRADE: J-55
WEIGHT: 23#
LENGTH: 2178'
DEPTH LANDED: 2215' KB
HOLE SIZE: 12-1/4"
CEMENT DATA: Cmt'd with 665 sks Premium Lite II (lead), 280 sks Class G (tail), and 20 sks Class G A-10. Ready mix 12 yds (top out).

INTERMEDIATE CASING

CSG SIZE:
GRADE:
WEIGHT:
LENGTH:
DEPTH LANDED:
HOLE SIZE:
CEMENT DATA:
CEMENT TOP AT:

PRODUCTION CASING

CSG SIZE: 5-1/2"
GRADE: N-80
WEIGHT: 17.0#
LENGTH: 88 jts. + Landing Joint (3739')
DEPTH LANDED: 3733' KB
HOLE SIZE: 7 7/8"
CEMENT DATA: 60 sxs Prem. Lite II (Lead) & 150 sxs Prem. II (Tail)
CEMENT TOP AT: 2110' per CBL

TUBING

SIZE/GRADE/WT.: 2-3/8" / J-55 / 4.7#
NO. OF JOINTS: 103
SN: XN (1.10') @ 3348' KB
PACKER: None
EOT @ 3381' KB

SUCKER RODS

POLISHED ROD:
SUCKER RODS:
PUMP SIZE:
STROKE LENGTH:
PUMP SPEED:

Logs

LOGS: Open Hole DIL, CNLD, GR, SP
Cased hole: CBL

Marine

GBR IV

Well Completion

Ferron Marine- Lower A

12/20/02 Lower A: 3660-78' & Marine: 3690'-3700'

Acidize as follows:

1000 gals 15% HCL 5.5 BPM.
Press: 2200-2600 psig. ISIP 2900 psig
On Vacuum.

Ferron Upper A & Lower B

12/20/02 Upper A: 3628-35' & 3614-18' Lower B: 3580-90' & 3562-68'

Acidize as follows:

1000 gals 15% HCL 5.5 BPM.
Press: 2300-2500 psig. ISIP 660 psig
Slight blow.

Ferron C

06/10/03 3476-92' & 3422-44'

Acidize as follows:

2000 gals 15% HCL 5.5 BPM.
Press: 2800-3300 psig. ISIP 560psig
Slight Blow w/ burnable gas

EOT 3381' KB

3422-44'

3476-92'

CIBP - 3530' KB

3562-68'

3580-90'

3614-18'

3628-35'

3660-78'

3690-00'

SN: 3348' KB
EOT: 3381' KB
PBTB: 3727' KB
Shoe: 3733' KB

PERFORATION RECORD

12/19/02	3690-00'	4 JSPF	40 holes
12/19/02	3660-78'	4 JSPF	72 holes
12/19/02	3628-35'	4 JSPF	28 holes
12/19/02	3614-18'	4 JSPF	16 holes
12/19/02	3580-90'	4 JSPF	40 holes
12/19/02	3562-68'	4 JSPF	24 holes
06/10/03	3476-92'	4 JSPF	64 holes
06/10/03	3422-44'	4 JSPF	88 holes

Klabzuba Oil & Gas Co.

Gordon Creek 2-20-14-8

1018' FWL & 1250' FNL
NW/NW Section 20-T14S-R8E
Carbon Co, Utah
API #43-007-30883
State of Utah Lease # - ML-46539

Burnside 29-14-8

Spud Date: 07/23/01
Put on Production:
GL: 7175' KB: 7186'

Wellbore Diagram
Updated 03/23/04

Initial Production:

SURFACE CASING

CSG SIZE: 9-5/8"
GRADE: J-55
WEIGHT: 36#
LENGTH: 547'
DEPTH LANDED: 558' KB
HOLE SIZE: 12-1/4"
CEMENT DATA: 350 sxs

INTERMEDIATE CASING

CSG SIZE: 7"
GRADE: J-55
WEIGHT: 20#
LENGTH: 2014'
DEPTH LANDED: 2025' KB
HOLE SIZE: 8 3/4"
CEMENT DATA: 225 sxs
CEMENT TOP AT: Surface

PRODUCTION CASING

CSG SIZE: 4-1/2"
GRADE: I-80
WEIGHT: 11.6#
LENGTH: 84 jts. (3522')
DEPTH LANDED: 3533' KB
HOLE SIZE: 6 1/4"
CEMENT DATA: 140 sxs 50/50 poz & 105 sxs Class G
CEMENT TOP AT: 1765' per CBL

TUBING

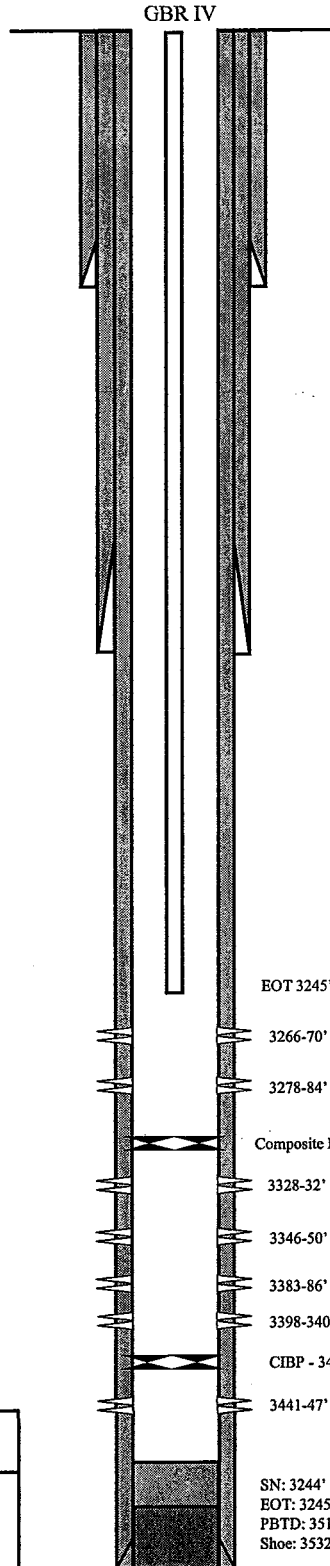
SIZE/GRADE/WT.: 2-3/8" / J-55 14.7#
NO. OF JOINTS: 98 (3233')
SN: (1.10')
PACKER: None
EOT @ 3245' KB

SUCKER RODS

POLISHED ROD:
SUCKER RODS:
PUMP SIZE:
STROKE LENGTH:
PUMP SPEED:

Logs

LOGS: Open Hole DILs across Ferron C
Cased hole DIL/DN/GR?CAL



Well Completion

09/09/01 3441-3447' **Acidize as follows:**
Ferron A 500 gals 15% HCL. Breakdown 4.0 bpm
2266 psig, Flush 9.6 BPM 2150 psig
ISIP-1766 psig
09/12/01 3328-3402' **Acidize as follows:**
Ferron B 1084 gals. 15% HCL, Breakdown 4.5 bpm
@2500-300 psig w/balls, ISIP - 1675 psig
09/19/01 3328'-3402' **Frac as follows:**
Ferron B 61,700# 16-30 sand in 890 bbls cross linked
borate gel, 2-5 ppg @ 60 BPM job
screened out. 5 min SI - 2610 psig
10/09/01 3266-3284' **Frac as follows:**
Ferron C 110,600# 16-30 sand in 810 bbls gelled
water & 418 MCF N2 (30 Q Foam) @
20BPM. ISIP 2360 psig.

PERFORATION RECORD

Date	Interval	Tool	Holes
10/06/01	3266-70'	4 JSPF	16 holes
10/06/01	3278-84'	4 JSPF	24 holes
09/11/01	3328-32'	4 JSPF	16 holes
09/11/01	3346-50'	4 JSPF	16 holes
09/11/01	3383-86'	4 JSPF	12 holes
09/11/01	3398-3402'	4 JSPF	16 holes
09/09/01	3441-47'	4 JSPF	24 holes

Klabzuba Oil & Gas Co.

Burnside 29-14-8

556' FNL & 1955' FEL

NW/NE Section 29-T14S-R8E

Carbon Co, Utah

API #43-007-30725

State Of Utah Lease # - ML-46539

Federal Lease # - UTU-72358

**State of Utah****Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 2, 2005

Mr. George Rooney
Klabzuba Oil & Gas Inc.
700 17th Street, Suite 1300
Denver, Colorado 80202

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for Fee or State Leases dated March 3, 2005.

Dear Mr. Rooney:

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated April 27, 2005 (received by the Division 04/29/2005) in regards to the three (3) shut-in wells operated by Klabzuba Oil & Gas Inc. ("Klabzuba"). It is the Division's understanding that Klabzuba plans to plug and abandon (P&A) the Burnside 29-14-8 (API # 43-007-30725) and the GCS 2-20-14-8 (API # 43-007-30883) this summer. The third well, the GCS 1A-18-14-8 (API # 43-007-30892) has been returned to production.

Based on the submitted plan of action, the Division grants Klabzuba extended shut-in and temporarily abandoned status for the Burnside 29-14-8 and the GCS 2-20-14-8 wells. The extensions for these wells are valid through October 1, 2005 to allow time to accomplish the P&A work. Sundry Notice of Intents for the proposed work should be submitted to and approved by the Division prior to initiating work. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

A handwritten signature in black ink, appearing to read "Dustin Doucet".

Dustin Doucet
Petroleum Engineer

cc: SITLA
Well File

OPERATOR CHANGE WORKSHEET**ROUTING**

1. DJJ

2. CDW

X Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:

1/1/2006

FROM: (Old Operator):
 N1325-Klabzuba Oil & Gas, Inc.
 700 17th St, Suite 1300
 Denver, CO 80202-3512
 Phone: 1-(303) 299-9097

TO: (New Operator):
 N2560-Fellows Energy Ltd.
 8716 Arapahoe Road
 Boulder, CO 80303
 Phone: 1-(303) 926-4415

CA No.**Unit:****WELL(S)**

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
GORDON CREEK ST 3-5-14-8	05	140S	080E	4300730932		State	GW	APD	C
GORDON CREEK ST 1-7-14-8	07	140S	080E	4300730902		State	GW	APD	C
GORDON CREEK ST 3-7-14-8	07	140S	080E	4300730903		State	GW	APD	C
GORDON CREEK ST 4-7-14-8	07	140S	080E	4300730904		State	GW	APD	C
GORDON CREEK ST 4-18-14-8	18	140S	080E	4300730881	13665	State	GW	S	
GORDON CREEK ST 1A-18-14-8	18	140S	080E	4300730892	13709	State	GW	P	
GORDON CREEK U 1	19	140S	080E	4300730044	13707	State	GW	P	
GORDON CREEK ST 19-14-8	19	140S	080E	4300730724	13251	State	GW	P	
GORDON CREEK ST 19-14-8 (B)	19	140S	080E	4300730807	13708	State	GW	S	
GORDON CREEK ST 1-19-14-8	19	140S	080E	4300730874	13646	State	GW	P	
GORDON CREEK ST 2-20-14-8	20	140S	080E	4300730883	13694	State	GW	TA	
GORDON CREEK ST 3-20-14-8	20	140S	080E	4300730905		State	GW	APD	C
BURNSIDE 29-14-8	29	140S	080E	4300730725	13250	Fee	GW	S	
GORDON CREEK ST 2-29-14-8	29	140S	080E	4300730906		State	GW	APD	C
GORDON CREEK ST 1-30-14-8	30	140S	080E	4300730875		State	GW	APD	C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 3/28/20062. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 3/28/20063. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 5/25/20054. Is the new operator registered in the State of Utah: YES Business Number: 5589189-01435. If **NO**, the operator was contacted on:6a. (R649-9-2) Waste Management Plan has been received on: Requested 3/29/20066b. Inspections of LA PA state/fee well sites complete on: n/a

15-K

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
KLABZUBA OIL & GAS, INC.

3. ADDRESS OF OPERATOR: 700 17th St., Suite 1300 CITY Denver STATE CO ZIP 80202-3512 PHONE NUMBER: (303) 299-9097

4. LOCATION OF WELL
FOOTAGES AT SURFACE: SEE ATTACHMENT

COUNTY: CARBON

QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
SEE ATTACHMENT

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A

7. UNIT or CA AGREEMENT NAME:
N/A

8. WELL NAME and NUMBER:
SEE ATTACHMENT

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:
GORDON CREEK

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of Operator from Klabzuba Oil & Gas, Inc. to Fellows Energy, Limited, effective January 1, 2006:

From: N1325
Klabzuba Oil & Gas, Inc.
700 17th Street, Suite 1300
Denver, Colorado 80202-3512

To: N2560
Fellows Energy, Limited
8716 Arapahoe Road
Boulder, Colorado 80303

(303) 299-9097

(303) 926-4415

Stephen K. Frazier, Vice President

Steven L. Prince, Vice President Operations

Date: 3-13-06

Date: 3-13-06

NAME (PLEASE PRINT) _____ TITLE _____
SIGNATURE _____ DATE _____

(This space for State use only)

APPROVED

3-29-06

Earlene Russell

(5/2000)

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

MAR 28 2005

DIV. OF OIL, GAS AND MINING

EXHIBIT "A"
SUNDRY NOTICES AND REPORTS ON WELLS

CHANGE OF OPERATOR FROM KLABZUBA OIL & GAS, INC. TO FELLOWS ENERGY, LIMITED, EFFECTIVE JANUARY 1, 2006

API #	Well Name	Description	Lease Serial Number
43-007-30044	Gordon Creek Unit #1	NW/4SE/4 of Section 19, T14S-R8E, SLB&M	ML-46539
43-007-30724	Gordon Creek State 19-14-8	SE/4NW/4 of Section 19, T14S-R8E, SLB&M	ML-27908
43-007-30725	Burnside 29-14-8	NW/4NE/4 of Section 29, T14S-R8E, SLB&M	
43-007-30807	Gordon Creek State 19-14-8(B)	NW/4SW/4 of Section 19, T14S-R8E, SLB&M	ML-27908
43-007-30874	Gordon Creek State 1-19-14-8	SE/4NE/4 of Section 19, T14S-R8E, SLB&M	ML-46539
43-007-30881	Gordon Creek State 4-18-14-8	SE/4SE/4 of Section 18, T14S-R8E, SLB&M	ML-46537
43-007-30883	Gordon Creek State 2-20-14-8	NW/4NW/4 of Section 20, T14S-R8E, SLB&M	ML-46539
43-007-30892	Gordon Creek State 1A-18-14-8	SE/4NE/4 of Section 18, T14S-R8E, SLB&M	ML-46537
43-007-30875	Gordon Creek State 1-30-14-8	NE/4NE/4 of Section 30, T14S-R8E, SLB&M	ML-46539
43-007-30902	Gordon Creek State 1-7-14-8	SE/4NE/4 of Section 7, T14S-R8E, SLB&M	ML-46537
43-007-30903	Gordon Creek State 3-7-14-8	SE/4SW/4 of Section 7, T14S-R8E, SLB&M	ML-46537
43-007-30904	Gordon Creek State 4-7-14-8	NE/4SE/4 of Section 7, T14S-R8E, SLB&M	ML-46537
43-007-30905	Gordon Creek State 3-20-14-8	SW/4SW/4 of Section 20, T14S-R8E, SLB&M	ML-46539
43-007-30906	Gordon Creek State 2-29-14-8	NW/4NW/4 of Section 29, T14S-R8E, SLB&M	ML-46539
43-007-30932	Gordon Creek State 3-5-14-8	SE/4SW/4 of Section 5, T14S-R8E, SLB&M	ML-46537

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:

6/1/2007

FROM: (Old Operator): N2560-Fellows Energy, LTD 8716 Arapahoe Rd Boulder, CO 80303 Phone: 1 (303) 327-1515	TO: (New Operator): N3245-Gordon Creek, LLC 807 N Pinewood Cir Price, UT 84501 Phone: 1 (435) 650-4492
---	--

CA No.

Unit:

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 9/27/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 9/27/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 10/30/2007
- a. Is the new operator registered in the State of Utah: Business Number: 6208039-0160
- b. If **NO**, the operator was contacted on: _____
- a. (R649-9-2)Waste Management Plan has been received on: IN PLACE
- b. Inspections of LA PA state/fee well sites complete on: 6/15/2007
- c. Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM BIA
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: _____
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: _____
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 10/15/2007

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 10/15/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/15/2007
- Bond information entered in RBDMS on: 10/15/2007
- Fee/State wells attached to bond in RBDMS on: 10/15/2007
- Injection Projects to new operator in RBDMS on: 10/15/2007
- Receipt of Acceptance of Drilling Procedures for APD/New on: 9/27/2007

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: _____
- Indian well(s) covered by Bond Number: _____
- a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number RLB0010790
- b. The **FORMER** operator has requested a release of liability from their bond on: not yet
The Division sent response by letter on: _____

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 10/16/2007

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: See Attachment A
2. NAME OF OPERATOR: Gordon Creek, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 807 North Pinewood Circle CITY Price STATE UT ZIP 84501		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (435) 650-4492		8. WELL NAME and NUMBER: See Attached
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: _____ QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		9. API NUMBER: See Att. A
		10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of Operator from Fellows Energy, Ltd. to Gordon Creek, LLC effective June 1, 2007:

Bond # for Gordon Creek, LLC is RLB 0010790

From: Fellows Energy, Ltd. *N2560*
Steven L. Prince
Steven L. Prince, Vice President and Director
Date: 3 AUGUST 2007

To: Gordon Creek, LLC *N 3245*
By Thunderbird Energy Inc., its Managing Member
Cameron White
Cameron White, President
Date: AUGUST 3, 2007

NAME (PLEASE PRINT) _____ TITLE _____
SIGNATURE _____ DATE _____

(This space for State use only)

APPROVED 10/15/07
Earlene Russell
Division of Oil, Gas and Mining (See Instructions on Reverse Side)
Earlene Russell, Engineering Technician

RECEIVED
SEP 27 2007

DIV. OF OIL, GAS & MINING

Fellows Energy, LLC (N2560) to Gordon Creek, LLC (N3245)

well_name	sec	tpw	rng	api	entity	lease	well	stat	flag	unit	qtr_qtr	l_num	op no	zone
GORDON CREEK U 1	19	140S	080E	4300730044	13707	State	GW	P			NWSE	ML-46539	N2560	FRSD
GORDON CREEK ST 19-14-8	19	140S	080E	4300730724	13251	State	GW	P			SENE	ML-27908	N2560	FRSD
BURNSIDE 29-14-8	29	140S	080E	4300730725	13250	Fee	GW	S			NWNE	FEE	N2560	FRSD
GORDON CREEK ST 19-14-8 (B)	19	140S	080E	4300730807	13708	State	GW	S			NESW	ML-27908	N2560	FRSD
GORDON CREEK ST 1-19-14-8	19	140S	080E	4300730874	13646	State	GW	P			SENE	ML-46539	N2560	FRSD
GORDON CREEK ST 4-18-14-8	18	140S	080E	4300730881	13665	State	GW	S			SESE	ML-46537	N2560	FRSD
GORDON CREEK ST 2-20-14-8	20	140S	080E	4300730883	13694	State	GW	S			NWNW	ML-46539	N2560	FRSD
GORDON CREEK ST 1A-18-14-8	18	140S	080E	4300730892	13709	State	GW	P			SENE	ML-46537	N2560	FRSD
GORDON CREEK ST 4-7-14-8	07	140S	080E	4300731230		State	GW	APD	TRUE		NESE	ML-46537	N2560	
GORDON CREEK ST 1-7-14-8	07	140S	080E	4300731231		State	GW	APD	TRUE		SENE	ML-46537	N2560	
GORDON CREEK ST 3-7-14-8	07	140S	080E	4300731232		State	GW	APD	TRUE		SESW	ML-46537	N2560	
GORDON CREEK ST 3-20-14-8	20	140S	080E	4300731233		State	GW	APD			SWSW	ML-46539	N2560	
GORDON CREEK ST 2-29-14-8	29	140S	080E	4300731234		State	GW	APD	TRUE		NWNW	ML-46539	N2560	
GORDON CREEK ST 1-30-14-8	30	140S	080E	4300731235		State	GW	APD	TRUE		NENE	ML-46539	N2560	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46537
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: GORDON CREEK, LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1179 E Main #345, Price, UT, 84501		8. WELL NAME and NUMBER: GORDON CREEK ST 1A-18-14-8
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1438 FNL 1285 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 18 Township: 14.0S Range: 08.0E Meridian: S		9. API NUMBER: 43007308920000
PHONE NUMBER: 403 453-1608 Ext		9. FIELD and POOL or WILDCAT: GORDON CREEK
COUNTY: CARBON		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 8/29/2011	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input checked="" type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input checked="" type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input checked="" type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Move on Workover rig, pull tubing out of well, run into well with bit and drill out CIBP set @ 3450', POOH, run into well with bit and casing scraper to TD, POOH. Then run into the well with tubing and a packer, set packer @ 3470' KB, then frac the Lower Ferron A + B down tbg with a 30 T treatment, then flow test and clean up. Then kill the well and pull the tubing and packer out of the well. Then add perforations to the Ferron B (3548' - 3557') and set a composite BP @ 3355'. Then frac the Upper Ferron C down casing with a 30 high rate treatment, then flow test and clean up. Then kill the well and RIH with bit and drill out composite BP. Then run the final 2.375" production tubing string, run BHP and rods, install pumpjack and place well on production as a Ferron A + B + C producer.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08/31/2011

By:

NAME (PLEASE PRINT) Barry Brumwell	PHONE NUMBER 403 453-1608	TITLE Vice President-Operations
SIGNATURE N/A	DATE 8/15/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46537
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: GORDON CREEK, LLC		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1179 E Main #345, Price, UT, 84501		8. WELL NAME and NUMBER: GORDON CREEK ST 1A-18-14-8
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1438 FNL 1285 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 18 Township: 14.0S Range: 08.0E Meridian: S		9. API NUMBER: 43007308920000
PHONE NUMBER: 403 453-1608 Ext		9. FIELD and POOL or WILDCAT: GORDON CREEK
COUNTY: CARBON		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 3/3/2013	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:			
<input type="checkbox"/> SPUD REPORT Date of Spud:			
<input type="checkbox"/> DRILLING REPORT Report Date:			
OTHER: Repair possible parted rods			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The rod string appears to have parted in this well. We will move a workover rig onto the well, remove the drive head and pull the rods out of the well to investigate. If the rods haven't parted, then we will pull the PC pump stator out of the well to investigate it. All BHP equipment will be repaired or replaced as required and re-run back into the well. The drive head will be re-installed and the well will then be placed back on production.

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: March 05, 2013

By: *D. K. Duff*

NAME (PLEASE PRINT) Barry Brumwell	PHONE NUMBER 403 453-1608	TITLE Vice President-Operations
SIGNATURE N/A	DATE 3/1/2013	



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 27, 2014

Via FedEx

Barry Brumwell
Vice President of Operations
Thunderbird Energy / Gordon Creek, LLC
#800, 555 – 4th Avenue S.W.
Calgary, Alberta, Canada T2P 3E7

43 007 30892
Gordon Creek ST 1A-18-14-8
18 14S 8E

Subject: Oil and Gas General Conservation Rule R649-3-36 - Shut-in and Temporarily Abandoned Wells

Dear Mr. Brumwell:

The Division of Oil, Gas and Mining (the "Division") issued Gordon Creek LLC c/o Thunderbird Energy (Gordon Creek) a Shut-in and Temporary Abandonment Notice of Violation (NOV), dated November 12, 2012, for the following seven (7) wells:

Burnside 29-14-8	API 43-007-30725	SI/TA approval - May 1, 2014
Gordon Creek ST 1-30-14-8	API 43-007-31235	SI/TA approval - Feb 1, 2014
Gordon Creek ST 4-18-14-8	API 43-007-30881	SI/TA approval - May 1, 2014
Gordon Creek ST 2-20-14-8	API 43-007-30883	Subsequent Sundry 2/15/2013 For Record Only
Gordon Creek ST 3-20-14-8	API 43-007-31233	SI/TA approval - May 1, 2014
Gordon Creek ST 2-29-14-8	API 43-007-31234	SI/TA approval - Feb 1, 2014
Gordon Creek ST 19-14-8(B)	API 43-007-30807	SI/TA approval - May 1, 2014

In response to the NOV, the Division and Gordon Creek held a December 2012 conference call. Gordon Creek stated they had capital for equipping the field with well-site separators, electrification, pumping equipment and pipelines. Gordon Creek also stated they had capital for drilling additional wells in the field and committed to meeting shut-in well requirements for the above subject wells. Gordon Creek submitted a letter dated December 18, 2012, stating that it conducted casing integrity tests on all of the subject wells between July and September of 2010. Similar tests were also conducted on five (5) of the subject wells in 2011. The integrity tests were submitted to the Division. In addition, Gordon Creek submitted a letter dated December 19, 2012, specifically outlining its 2013 field development plans to electrify parts of the field, recompleting the Gordon Creek ST 4-18-14-8, Gordon Creek ST 3-20-14-8 and Gordon Creek ST 2-29-14-8 wells and drill 20 new additional wells. The Division later granted shut-in and temporary abandonment approvals for six (6) of the seven (7) wells listed above based on submitted sundries meeting shut-in extension requirements and the field plans described in the December 2012 letters with the understanding Gordon Creek would keep the Division updated on field development and any changes to the plans.

If any of the above proposed work was accomplished last year Gordon Creek did not keep the Division informed. We reviewed the Gordon Creek ST 4-18-14-8, Gordon Creek ST 3-20-14-8 and Gordon Creek ST 2-29-14-8 well files and did not find any notices of intent for recompletion or subsequent recompletion sundries for the wells. If work was done on the wells please submit sundries



immediately for the well files. Also, the above extended shut-in approvals required periodic pressure and fluid monitoring to ensure ongoing integrity of the wells. The periodic monitoring should have also been submitted to the Division on individual well sundries for Division review and well files. Shut-in extensions for two of the above wells expired February 1, 2014 and the other four expired May 1, 2014.

As of the date of this letter Gordon Creek currently have seventeen (17) shut-in wells, the above listed seven wells and the following ten (10) new wells:

→ Gordon Creek ST 1A-18-14- 18 ⁸	API 43-007-30892	Last Prod – June 2013
Gordon Creek NE-31-13-8	API 43-007-50243	Last Prod – May 2013
Gordon Creek NE-32-13-8	API 43-007-50245	Last Prod – March 2013
Gordon Creek SW-32-13-8	API 43-007-50246	Last Prod – June 2013
Gordon Creek NW-5-14-8	API 43-007-50248	Last Prod – July 2013
Gordon Creek ST SW-7-14-8	API 43-007-50242	Last Prod – May 2013
Gordon Creek ST SE-B-7-14-18	API 43-007-50255	Last Prod – April 2013
Gordon Creek NW-32-13-18	API 43-007-50244	Last Prod – Jan 2014
Gordon Creek NW-31-13-8	API 43-007-50250	OPS – Spud Feb 2012
Gordon Creek SE-32-13-8	API 43-007-50247	OPS – Spud Jan 2012

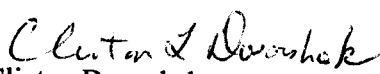
The operator is responsible to file, yearly, for extended shut-in or temporary abandonment for wells shut-in or temporarily abandoned for a period of twelve (12) consecutive months. Gordon Creek must file a Sundry Notice providing the following information for each of the above seventeen listed wells; reasons for shut-in or temporarily abandonment of the well, length of time the well is expected to be shut-in or temporarily abandoned and an explanation and supporting data showing the well has integrity (R649-3-36.1). After review the Division will either approve the continued shut-in or temporarily abandoned status or require remedial action (R649-3-36.2). After five (5) years of non-activity or non-productivity, the well shall be plugged in accordance with R649-3-24, unless approval for extended shut-in time is given by the Division upon a showing of good cause by the operator (R649-3-36.3). Please note, six (6) of the seventeen wells listed above have been shut-in over five (5) years.

Gordon Creek has until **June 30, 2014**, to submit sundries, for the subject wells, in accordance with **Oil and Gas Conservation General Rule 649-3-36 Shut-in and Temporarily Abandoned Wells**.

Should Gordon Creek not meet shut-in and temporarily abandoned well requirements, the Division is prepared to file a Notice of Agency Action (NAA) for Commencement of Informal Adjudicative Proceedings (R649-10-3) for this matter in accordance with Oil and Gas Conservation General Rule R649-10 Administrative Procedures.

If you have any questions or need further assistance, please feel free to contact me at clintondworshak@utah.gov or 801-538-5280 or Dustin Doucet, Petroleum Engineer, at dustindoucet@utah.gov or 801-538-5281.

Sincerely,


Clinton Dworshak
Oil and Gas Compliance Manager

CLD/js
cc: John Rogers, Oil & Gas Associate Director
Dustin Doucet, Petroleum Engineer
Well Files
Compliance File

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46537
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3. ADDRESS OF OPERATOR: 1179 E Main #345, Price, UT, 84501		8. WELL NAME and NUMBER: GORDON CREEK ST 1A-18-14-8
PHONE NUMBER: 403 453-1608 Ext		9. API NUMBER: 43007308920000
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1438 FNL 1285 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENE Section: 18 Township: 14.0S Range: 08.0E Meridian: S		9. FIELD and POOL or WILDCAT: GORDON CREEK
		COUNTY: CARBON
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 4/15/2015	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input checked="" type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input checked="" type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:
<input type="checkbox"/> SPUD REPORT Date of Spud:				
<input type="checkbox"/> DRILLING REPORT Report Date:				
				OTHER: Repair Access Road, Reactivated

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The access road into this well was destroyed in 2013 from summer rains. The intent of this operation will be to repair the wash crossing just prior to the well location entrance by installing new 60" or 72" culvert(s) into the wash and covering the culverts with materials sourced next to the wash. We will re-activate this well as a producing well as soon as we have full access established back into it.

Approved by the
March 31, 2015
Oil, Gas and Mining

Date: _____

By: Derek Duff

NAME (PLEASE PRINT) Barry Brumwell	PHONE NUMBER 403 453-1608	TITLE Vice President-Operations
SIGNATURE N/A	DATE 3/23/2015	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-46537
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		COUNTY: CARBON
		STATE: UTAH

11.

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 6/23/2015	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input checked="" type="checkbox"/> TUBING REPAIR <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> APD EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input checked="" type="checkbox"/> OTHER
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	OTHER: Change BHP, Rods & Surface
<input type="checkbox"/> SPUD REPORT Date of Spud:	
<input type="checkbox"/> DRILLING REPORT Report Date:	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

The plan is to unseat the non-functioning PCP BHP, then POOH with the existing rods and tubing, inspecting and replacing any damaged tubing, then removing the existing surface rotary pumping equipment, then move in and install a new 456 Pumpjack, then re-run the 2.375" tubing with a tubing pump on bottom and set BHP at 3390', then run new rods and latch onto the tubing pump, install the polished rod and rig into pumpjack. We will then start the jack up at 7.5 SPM and bring the well back onto production.

Approved by the
June 22, 2015
Utah Division of
Oil, Gas and Mining

Date: _____
By: Derek Duff

NAME (PLEASE PRINT) Barry Brumwell	PHONE NUMBER 403 453-1608	TITLE Vice President-Operations
SIGNATURE N/A	DATE 6/9/2015	

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW
7440 CREEK ROAD, SUITE 250
SANDY, UTAH 84093
TELEPHONE (801) 566-8446
FACSIMILE (801) 566-8447
www.bweenergylaw.com

CASPER
CHEYENNE
DENVER
SALT LAKE CITY
SANTA FE

BRIAN A. TAYLOR

(801) 676-2307
BTAYLOR@BWEENERGYLAW.COM

December 24, 2014

Clinton Dworshak
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116

Dear Clint:

The purpose of this letter is to place in writing the agreement between Gordon Creek Energy, Inc. ("Gordon Creek") and the Utah Division of Oil, Gas and Mining (the "Division"), in order to satisfy the requirements of the August 4, 2014 Division Bonding Order (the "Order") issued by the Division.

At a meeting between Gordon Creek and the Division at the offices of the Division on Wednesday October 29, 2014, the Division and Gordon Creek discussed the various issues associated with Gordon Creek's operations in Utah and the impact the Order has on those operations. As a result of those discussions, it is understood by the Division that Gordon Creek is in the process of obtaining both short term and long term financing to enhance its operations in the State of Utah and that securing this financing is essential for Gordon Creek to acquire the necessary bonding for its wells in the State of Utah. It is anticipated that Gordon Creek will obtain some of this financing in early December 2014. Based on the receipt of those funds, Gordon Creek and the Division agreed to the following terms and conditions to withhold enforcement of the Order:

1. The funds obtained in December of 2014 will be used to re-work Gordon Creeks existing shut-in wells and improve the existing infrastructure of Gordon Creeks operations in the State of Utah. It is anticipated that all re-working activities will be completed by the end of December 2014 for the following wells:

API No.

Well Name

43-007-30881
43-007-30892
43-007-50242

Gordon Creek 4-18-14-8
Gordon Creek 1A-18-14-8
Gordon Creek SW 7-14-8

BEATTY & WOZNIAK, P.C.

Clinton Dworshak
Utah Division of Oil, Gas and Mining
December 24, 2014
Page 2

43-007-50243	Gordon Creek NE 31-13-8
43-007-50244	Gordon Creek NW 32-13-8
43-007-50245	Gordon Creek NE 32-13-8
43-007-50246	Gordon Creek SW 32-13-8
43-007-50248	Gordon Creek NW 5-14-8
43-007-50249	Gordon Creek NE 5-14-8
43-007-50255	Gordon Creek SE B 7-14-8

2. Given the winter closure requirements of the Utah Division of Wildlife Resources, from December 1, 2014 until April 15, 2015, and the amount of surface disturbance required to rework the wells, all re-working activities will be completed by June 30, 2015 for the following wells:

<u>API No.</u>	<u>Well Name</u>
43-007-30725	Burnside 29-14-8
43-007-30807	Gordon Creek ST 19-14-8(B)
43-007-30883	Gordon Creek ST 2-20-14-8
43-007-31233	Gordon Creek ST 3-20-14-8
43-007-31234	Gordon Creek ST 2-29-14-8

3. Gordon Creek will provide Sundry Notices to the Division on the progress of these well and infrastructure activities as required by the Well Workover and Recompletions rule, Utah Admin. Code R649-3-23.
4. The Division will not require Gordon Creek to provide bonding for all of its well locations at once, but will allow it to acquire the necessary depth bonding as described in R649-3-1(5.3) to cover the equivalent of four wells at a time at the rate of \$30,000.00 per well.
5. The existing \$120,000.00 blanket bond and the future bonding or surety, provided by Gordon Creek, as outlined in Paragraph 7 below, will cover all of the wells listed on Schedule A of the Order as two separate blanket bonds. In the event it becomes necessary to use proceeds from the blanket bonds, the Division will apply the proceeds to any one or more of the wells listed on Schedule A at its discretion. As such, if the plugging of a well, or group of a wells, cost less than the estimated \$30,000.00 as outlined in R649-3-1(5.3), the Division can use the remaining amount to plug and/or reclaim any of the other wells and well sites on Schedule A.

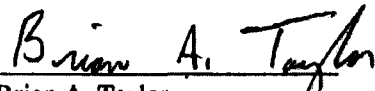
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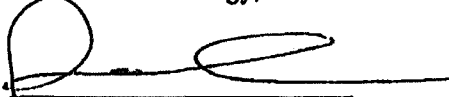
6. The first payment of \$120,000.00 covering the equivalent of four wells will be due and payable by February 27, 2015.
7. Gordon Creek will make additional \$120,000.00 payments every three months until all of the existing shut-in wells listed on Schedule A of the Order are fully covered. These additional payments will be due on or before May 29, 2015, August 31, 2015, and November 30, 2015, with a final payment covering any outstanding amounts by February 27, 2016.
8. In the event Gordon Creek obtains additional long term financing prior to February 27, 2016, it will pay any remaining amount owed to have depth bonding on all of its wells in the State of Utah within 30 days of the closing date of the additional financing.
9. The Division will conduct a surface inspection of the wells listed as "Location Abandoned" on Schedule A of the Order to determine if any reclamation work is needed. In the event no reclamation work is needed, the \$1,500.00 bond requirements listed for those lands will be removed from the total amount owed by Gordon Creek.
10. When Gordon Creek has satisfied the requirements for a blanket bond under R649-3-1 (6), the Division will release all additional bonding required by the Order upon the request of Gordon Creek.

If I have accurately stated our agreement and understanding, please sign below and return to me at your earliest opportunity.

Respectfully,


Brian A. Taylor
Attorney for Gordon Creek Energy

Gordon Creek Energy, Inc.


Rupert Evans
President

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The above correctly sets forth our agreement and understanding

Utah Division of Oil, Gas and Mining

Date: 12/30/14

Clinton L. Dworshak

By: Clinton Dworshak
Compliance Manager

BAT: dc
5056.0002
334073

cc: John Rogers, Associate Director
Dustin Doucet, Petroleum Engineer
Douglas J. Crapo, Assistant Attorney General
John Robinson Jr., Assistant Attorney General